CITY OF LAS VEGAS

1700 N. GRAND AVE. LAS VEGAS, NEW MEXICO 87701
505-454-1401 FAX: 505-425-7335

Mayor Tonita Gurule-Giron

CITY OF LAS VEGAS
REGULAR CITY COUNCIL AGENDA
April 18, 2018–Wednesday– 6:00 p.m.
City Council Chambers
1700 N. Grand Avenue

(The City Council shall act as the Housing Authority Board of Commissioners on any matters on the Agenda concerning the Housing Department.)

I. **CALL TO ORDER**

II. **ROLL CALL**

III. **PLEDGE OF ALLEGIANCE**

IV. **MOMENT OF SILENCE**

V. **APPROVAL OF AGENDA**

VI. **APPROVAL OF MINUTES (March 14th Special, March 14th Work Session and March 28th Special, 2018)**

VII. **MAYOR'S APPOINTMENTS/REPORTS**

VIII. **MAYOR'S RECOGNITIONS/PROCLAMATIONS**

IX. **PUBLIC INPUT**
(not to exceed 3 minutes per person and persons must sign up at least fifteen (15) minutes prior to meeting)

X. **PRESENTATIONS (Not to exceed 10 minutes per person)**

- Presentation by Chuck Brown with Sunrise Medical Group.
- Presentation by Leah Knutson presented by Professor Edward Martinez on HPWA's river restoration work and how it positively impacts our water security.

XI. CITY MANAGER'S REPORT

XII. FINANCE REPORT

XIII. CONSENT AGENDA

(Items may be moved to New Business at the request of any Councilor with approval of the Governing Body)

1. Approval of Resolution #18-17 Authorizing the lease of a small parcel of property located in the rear of the Harold Ledoux Fire Station by American Tower.

   Ann Marie Gallegos, Interim City Manager This resolution will allow the City of Las Vegas to continue to lease the property to American Tower on an annual basis.

XIV. BUSINESS ITEMS

1. Conduct a public hearing and Approval/Disapproval to adopt Ordinance No. 18-02 amending Lodgers Tax Increase from 4% to 5%.

   Virginia Marrujo, Media Coordinator The City of Las Vegas Lodgers Tax Advisory Board is regulated by NMSA Lodgers Tax Act 3038-13 – 3-38-24, NMSA 6-6-4.1, and by City of Las Vegas Ordinance Chapter 389 – 1 to 389 – 18. City council is charged with administering the funds and the board is to make recommendations for the expenditure of funds authorized pursuant to this article for advertising, publicizing and promoting tourist related attractions, facilities and events in the City.

2. Conduct a public hearing and Approval/Disapproval of application requesting a Restaurant Beer and Wine License with on Premise Consumption only with patio service submitted by 5th Grade Enterprises LLC, DBA B3-BBQ, Burgers & Beer, located at 131 Bridge Street, Las Vegas, NM 87701, Application No. 1081092.

   Casandra Fresquez, City Clerk The Director of the Alcohol and Gaming Division has reviewed the referenced application and granted preliminary approval. It has been forwarded to our Governing Body for consideration of the liquor license application.

3. Approval/Disapproval to award RFP 2018-21, for the 2018, 2019, 2020 Annual Audit Services and enter into contract with Axiom CPAs and Business Advisors LLC.

   Tana Vega, Interim Finance Director The City of Las Vegas requested audit proposals for the 2018, 2019 and 2020 Audits. We are requesting review and final approval by Mayor and Council.

XV. COUNCILORS' REPORTS

XVI. EXECUTIVE SESSION

THE COUNCIL MAY CONVENE INTO EXECUTIVE SESSION IF SUBJECT MATTER OF ISSUES ARE EXEMPT FROM THE OPEN MEETINGS REQUIREMENT UNDER § (H) OF THE OPEN MEETINGS ACT.

A. Personnel matters, as permitted by Section 10-15-1 (H) (2) of the New Mexico Open Meetings Act, NMSA 1978.

B. Matters subject to the attorney client privilege pertaining to threatened or pending litigation in which the City of Las Vegas is or may become a participant, as permitted by Section 10-15-1 (H) (7) of the New Mexico Open Meetings Act, NMSA 1978.

C. Matters pertaining to the discussion of the sale and acquisition of real property, as permitted by Section 10-15-1 (H) (8) of the Open Meetings Act, NMSA 1978.

XVII. ADJOURN

ATTENTION PERSONS WITH DISABILITES: The meeting room and facilities are accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office prior to the meeting so that arrangements may be made.

ATTENTION PERSONS ATTENDING COUNCIL MEETING: By entering the City Chambers, you consent to photography, audio recording, video recording and its/their use for inclusion on the City of Las Vegas Web-site, and to be televised on Comcast.

NOTE: A final agenda will be posted 72 hours prior to the meeting. Copies of the Agenda may be obtained from City Hall, Office of the City Clerk, 1700 N. Grand Avenue, Las Vegas, NM 87701

MINUTES OF THE CITY OF LAS VEGAS CITY COUNCIL SPECIAL MEETING HELD ON WEDNESDAY, MARCH 14, 2018 AT 5:00 P.M. IN THE CITY COUNCIL CHAMBERS

MAYOR: Tonita Gurulé-Girón

COUNCILORS: David A. Ulibarri, Jr.
Vincent Howell
David L Romero
Barbara A. Casey

ALSO PRESENT: Ann Marie Gallegos, Interim City Manager
Casandra Fresquez, City Clerk
David Silva, Acting City Attorney
Chris Lopez, Sergeant at Arms

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE

Councilor Ulibarri, Jr. prayed for strength in our community, our children, ourselves and to make the right decisions.

APPROVAL OF AGENDA

Councilor Howell made a motion to approve the agenda as is. Councilor Ulibarri, Jr. seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

David L. Romero	Yes	Vincent Howell	Yes

Barbara A. Casey Yes David A. Ulibarri, Jr. Yes

City Clerk Fresquez re-read the motion and advised that the motion carried.

PUBLIC INPUT

Interim City Manager Ann Marie Gallegos advised that there was no one signed up for Public Input at this time.

BUSINESS ITEMS

1. Approval/Disapproval to adopt Resolution 18-15 Run-Off Election for the City of Las Vegas.

City Clerk Casandra Fresquez thanked the Governing body for approving the Special meeting and gave a recap of the March 6, 2018 Election advising that Canvassing took place on March 8th at 10:00 a.m. with Magistrate Judge Christian Montano, County Clerk Geraldine Gutierrez, County Deputy Clerk Louanna Sanchez, Deputy Clerk Danielle Sena and herself being present.

City Clerk Fresquez advised the Governing body of the number of voters that had voted and informed that after some research, she found that Ward 1 had about 2,500 registered voters with only 557 voting in the March 6th election and that in Ward 4, 2,400 were registered to vote and only 584 voted. She also advised that the number of city wide voters for Municipal Judge was 1,693, out of approximately 10,000 registered voters.

City Clerk Fresquez informed that the total number of voters for the March 6th, 2018 Election was 2,834. She encouraged everyone to tell friends, family and co-workers to go out and vote and advised that she would be informing the public about the Run-Off Election over the radio the following Friday.

Councilor Casey had a question regarding the term "in lieu of".

City Clerk Fresquez explained that during Canvassing if they have anyone who did not receive their ballot through the mail and go vote on Election day, they must sign a certification stating that they did not receive their ballot and that they are voting "in lieu of" that absentee ballot. She advised that during canvassing the in

lieu of is reviewed by the canvassing board and there was a total of 6 "in lieu of" ballots.

City Clerk Casandra Fresquez advised that in accordance with the City of Las Vegas Municipal charter, a candidate must receive fifty percent (50%) plus one (1) of the votes cast for the particular office or a run-off-election shall be held between the two candidates receiving the highest number of votes which shall be held within forty five (45) days after certification of the result of the election. This resolution will allow the city Clerk's Office to proceed with preparation for the run-off election.

City Clerk Fresquez advised that the Election calendar for the April 17, 2018 run-off was only a small portion of the preparation for the run-off election which was provided to all candidates and was also posted on the City's website. She stated that if approved, Resolution 18-15 would also be available on the website and would be sent to the New Mexico Secretary of State and to San Miguel County Clerk's Office.

City Clerk Fresquez gave a detailed overview of Resolution No. 18-15 Run-Off Election for the City of Las Vegas, New Mexico. She informed that in the race for Municipal Judge, Eddie Trujillo received 73.14% of the votes.

Councilor Casey advised that many constituents commented on how easy it was to locate the voting sights during the election and that they were pleased with the outcome of the way things were set up.

City Clerk Fresquez advised that March 12, 2018 would be the first day to register to vote with the County Clerk's Office and the books would close on March 30, 2018. She added that election would take place on April 17, 2018 with canvassing taking place on April 19, 2018 and stated that candidates would take the oath by April 23, 2018. City Clerk Fresquez added that Municipal Judge Eddie Trujillo had taken his oath on time and that the Organizational meeting would take place between April 23rd and May 8th.

Councilor Casey made a motion to approve to adopt Resolution 18-15 Resolution 18-15 Run-Off Election for the City of Las Vegas. Councilor Romero seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

Vincent Howell	Yes	David A. Ulibarri, Jr.	Yes
Barbara A. Casey	Yes	David L. Romero	Yes

City Clerk Fresquez re-read the motion and advised that the motion carried.

EXECUTIVE SESSION

Interim City Manager Gallegos advised there was no need to go into Executive Session at this time.

ADJOURN

Councilor Casey made a motion to adjourn. Councilor Romero and Councilor Ulibarri, Jr. seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

David A. Ulibarri, Jr.	Yes	Vincent Howell	Yes
Barbara A. Casey	Yes	David L. Romero	Yes

City Clerk Fresquez re-read the motion and advised that the motion carried.

_____

Mayor Tonita Gurulé-Girón

ATTEST:

_____

Casandra Fresquez, City Clerk

MINUTES OF THE CITY OF LAS VEGAS CITY COUNCIL WORK SESSION HELD ON WEDNESDAY, MARCH 14, 2018 AT 5:30 P.M. IN THE CITY COUNCIL CHAMBERS

MAYOR:	Tonita Gurulé-Girón
COUNCILORS:	Barbara A. Casey David L. Romero David A. Ulibarri, Jr. Vincent Howell
ALSO PRESENT:	Ann Marie Gallegos, Interim City Manager Casandra Fresquez, City Clerk David Silva, Acting City Attorney Chris Lopez, Sergeant at Arms

CALLTO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE

Councilor Ulibarri, Jr. prayed for everyone to keep their faith in God and to help one another, our children and the community.

APPROVAL OF AGENDA

Councilor Casey had a question regarding the agenda and the audit findings for the Housing Authority and stated that the findings were to be responded to by City Hall staff and asked why the responses were not on the agenda for review.

Mayor Tonita Gurulé-Girón advised that it was her understanding that it would be reviewed during a regular meeting and asked Interim City Manager Gallegos for the status regarding that matter.

Interim City Manager Gallegos advised that they were Depository Agreements which were Federal compliant and added that they did respond. She informed that a draft response of accounting procedures was submitted and the reasoning for a draft was due to the need of HUD reviewing them before bringing them to Council for final approval.

Councilor Casey asked if the same procedure was going to be done for the Special Audit findings and stated that it was her understanding from the State Auditor's Office that they had already been in possession of the City for awhile.

Interim City Manager Gallegos advised that they had received the Special Audit and that the management responses were submitted back to the auditor on March 8th and were scheduling an exit conference for early next week on Tuesday, with the State Auditor and the auditor as well. She advised that it would go back to the State Auditor's Office for the final approval and brought back to Mayor and Council.

Councilor Casey asked if at least one Councilor would be able to be present at the exit conference.

Interim City Manager Gallegos advised that question had been raised although if one Councilor was included, then all Councilors needed to be included and advised the auditor of perhaps forming a quorum. She added that exit conferences were usually attended by the Mayor, City Manager and by Finance Director and stated that was where she left it.

Councilor Casey asked Interim City Manager Gallegos, if she would consider having the exit conference if she would post a Special meeting at the council.

Interim City Manager Gallegos advised that she would not consider it due to it being an exit conference and that it was for management review only.

Councilor Casey asked when the Council would receive the copy of the Special Audit Findings and if they had given a timeline for release.

Interim City Manager Gallegos advised that they had not given a timeline although would ask about the timeline when they would meet and added that normal period for holding the report after the exit conference was a least 5 days although may be longer and explained that Special Audits were different. She advised that once it

was released by the State Auditor, it would be posted on their website and then it would be available for Mayor and Council and advised that as soon as it was released it would be forwarded to Council.

Councilor Casey asked if they were meeting next Tuesday, then by Wednesday they should have a better idea of a timeline.

Interim City Manager Gallegos advised the normal period to hold it was at least 5 days although may be extended for a further timeline and that she would not know until it was released by the State Auditor and would forward it to Council as soon as they would receive it.

Councilor Casey asked Interim City Manager Gallegos if an update could be given at next week's City Council meeting if she learned anything different or new regarding the Special Audit that Council needed to know.

Interim City Manager Gallegos agreed to give an update if any other information would arise and advised that she would ask the State Auditor how much they could release because it would be in their hands for a five day period for their review and would be released when finalized.

Councilor Casey stated that was what they were told by the State Auditor when they had done their presentation although asked due to the exit conference being postponed twice, she was curious as to when the results might be released to Council and for the general public that was really interested in knowing what was going on.

Councilor Howell made a motion to approve the agenda as is. Councilor Ulibarri, Jr. seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

Barbara A. Casey	Yes	David A. Ulibarri, Jr.	Yes
Vincent Howell	Yes	David L. Romero	Yes

City Clerk Fresquez re-read the motion and advised that the motion carried.

PUBLIC INPUT

Interim City Manager Ann Marie Gallegos advised there was no one signed up for Public Input.

DISCUSSION ITEMS

1. Resolution #18-16 Budget Adjustment Resolution.

Interim Finance Director Tana Vega advised that the City of Las Vegas was requesting increases to the FY 2018 budgeted revenues and expenditures, transfers to and from within various funds of the FY 2018 budget.

Councilor Casey advised that regarding the budget adjustments, she was pleased to hear the CLG Grant for $25,000.00 would go towards infrastructure toward the old city hall building located on 6th Street.

The Governing Body agreed to place the item as a consent agenda item.

2. Award request for proposals #2018-17 for printing and mailing services for the Utilities Department.

Utilities Director Maria Gilvarry advised that printing and mailing services were necessary to ensure efficient and prompt delivery of utility bills to the City of Las Vegas customers each month. She explained that the Utilities Department had gone out for an RFP to obtain printing and billing services due to the previous contract coming to the end of its four year agreement. Utilities Director Gilvarry informed they had six respondents and added that Customer Service staff was part of the evaluation team.

Customer Service Manager Jodi Marquez advised that during the evaluation process found that the company, The Master's Touch Company was most qualified and informed that they provided 24 hr. Turn around time, NCOA (National Change of Address) and provided barcodes on billing in order to track bills, a service that was not provided by the current company, Postal Pros.

Utilities Director Gilvarry advised that it would be a benefit for the department as well as the community to go with The Master's Touch Company, and informed of an incident that recently occured with the current company not sending out billing to one cycle for two months in a row, resulting in 500-600 customers not receiving their bill, unable to track the billing with the company later admitting to not

sending out the billing. She advised that The Master's Touch Company was slightly higher on some rates although costs would be less expensive for bulk rate postage which was 2¢ per mailing as opposed to other companies which were charging 37 ½ cents per mailing and stated that this company was adapt to working with Tyler.

Mayor Gurulé-Girón commended Utilities Director Gilvarry and staff for completing the RFP process in an impressive and thorough manner.

Councilor Casey brought attention to the scoring sheet under Campaign Disclosure line indicating zero for The Master's Touch company.

Interim City Manager Gallegos addressed the question stating that The Master's Touch did not have the Campaign Disclosure form although the Procurement Officer saw that it was insignificant information allowing them to proceed with the awarding and reviewing of the RFP and advised they could still contact The Master's Touch company before awardment and have them submit the form appropriately.

Brief discussion took place of a previous RFP that had been rejected due to the company's identification form that had not been provided.

Councilor Howell asked what would happen if Master's Touch did not submit the Campaign Disclosure form by next week.

Interim City Manager Gallegos advised if it was not submitted by then, it would be brought back to Mayor and Council although stated that it was not significant enough to stop the process.

The Governing body agreed to place the item as a consent agenda item.

Utilities Director Gilvarry gave an update regarding the "4 Wards in 4 Weeks" program reporting that in 3 days they had picked up 12,000 pounds of trash from Ward 1, she thanked everyone for their participation and would continue on the rest of the wards. She encouraged the public to attend on Saturday mornings at Plaza Park at 8:45 a.m.

3. Publication of Ordinance #18-02 amending Chapter 389-4 and 389-15A2 Imposition of tax and use of monies.

Media Coordinator Virginia Marrujo advised that the City of Las Vegas Lodgers Tax Advisory Board was regulated by NMSA Lodgers Tax Act 3038-13-3-38-24, NMSA 6-6-4. 1, and by City of Las Vegas Ordinance Chapter 389-1 to 389-18. City council is charged with administering the funds and the board is to make recommendations for the expenditure of funds authorized pursuant to this article for advertising, publicizing and promoting tourist related attractions, facilities and events in the City. She advised that the Lodger's Tax Board was requesting the 1% percent increase bringing it to 5% solely for the use of tourist related infrastructure.

Interim City Manager Gallegos advised that this was a recommendation from the Lodger's Tax Advisory Board and that Mr. Garofalo had presented the increase at the last Council meeting and informed that most municipalities had gone from 4% to 5% and that they felt the imposing of this tax would greatly benefit the City of Las Vegas.

Councilor Howell asked if there was a list created in regards to what type of tourist related infrastructure would be considered.

Media Coordinator Marrujo advised that there was not a specific list at the moment, that it was basically as projects come up at that time for monies to be used and she mentioned the E. Romero Fire Station project being turned into a tourist attraction museum.

Councilor Howell asked if there had been discussion regarding "Wayfinding" signs.

Ms. Marrujo advised that there had been discussion about "Wayfinding" and that it was a big topic that would be discussed at the next Lodger's Tax Board meeting.

Discussion took place regarding the many benefits of purchasing billboards as opposed to renting and on the positive feedback from the public and tourists pertaining to billboard advertising.

Councilor Howell asked if the Lodger's Tax Board had already prepared the 2018-2019 budget.

Interim City Manager Gallegos advised that the Lodger's Tax Board would be submitting their recommendations in April although stated that she was not sure whether they would be able to forecast the dollar amount received from the 1% increase and that they would be working on that as well and that would help with the budget as well for the following year.

Councilor Casey made the recommendation regarding Ordinance #18-02, under Section 389-4 Imposition of tax, to read: "There is hereby imposed an occupancy tax of 5% of gross taxable rent for lodging paid to vendors within the City".

Interim City Manager Gallegos advised that the changes would be made on the ordinance.

The Governing body agreed to place the item as a consent agenda item.

EXECUTIVE SESSION

Interim City Manager Gallegos advised that there was no need to go into Executive Session at this time.

ADJOURN

Councilor Casey made a motion to adjourn. Councilor Romero seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

David A. Ulibarri, Jr.	Yes	Vincent Howell	Yes
Barbara A. Casey	Yes	David L. Romero	Yes

City Clerk Fresquez re-read the motion and advised that the motion carried.

_____

Mayor Tonita Gurulé-Girón

ATTEST:

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Casandra Fresquez, City Clerk

MINUTES OF THE CITY OF LAS VEGAS CITY COUNCIL SPECIAL MEETING HELD ON WEDNESDAY, MARCH 28, 2018 AT 5:00 P.M. IN THE CITY COUNCIL CHAMBERS

MAYOR: Tonita Gurulé-Girón

COUNCILORS: David L. Romero
Vincent Howell
David A. Ulibarri, Jr.
Barbara A. Casey

ALSO PRESENT: Ann Marie Gallegos, Interim City Manager
Casandra Fresquez, City Clerk
Danelle Smith, Acting City Attorney
Chris Lopez, Sergeant at Arms

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE

Councilor Ulibarri, Jr. asked for a moment of silence to pray for the family of Joe Baca and hoped he would get out of the hospital soon.

APPROVAL OF AGENDA

Councilor Casey made a motion to approve the agenda as presented. Councilor Howell seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

David A. Ulibarri, Jr.	Yes	Vincent Howell	Yes
Barbara A. Casey	Yes	David L. Romero	Yes

City Clerk Fresquez re-read the motion and advised that the motion carried.

EXECUTIVE SESSION

Councilor Casey made a motion to go into Executive Session, pursuant to Section 12-6-5 NMSA 1978 of the Audit Act which provides that an audit report does not become a public record, i.e., subject to public inspection, until five days after the auditor releases it to the audited agency. Councilor Romero seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

Vincent Howell	Yes	David L. Romero	Yes
David A. Ulibarri, Jr.	Yes	Barbara A. Casey	Yes

City Clerk Fresquez re-read the motion and advised that the motion carried.

1. City of Las Vegas Special Audit Exit Conference.

Acting City Attorney, Danelle Smith advised that in accordance with the opinion of the Attorney General's office, the exception to the Open Meetings Law that allows the City Council to go into Executive Session is Section 12-6-5 NMSA 1978 of the Audit Act which provides that an audit report does not become a public record, i.e., subject to public inspection, until five days after the auditor releases it to the audited agency. Where the agency being audited is governed by a public body subject to the Open Meetings Act and where release of the report occurs at an exit conference at which a quorum of the members of the body is present, such exit conference need not be open to the public, in order to preserve the confidentiality of the information protected by Section 12-6-5.

RECESS

Councilor Casey made a motion to recess until such time the State Auditor would arrive to the meeting. Councilor Romero and Councilor Howell seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

Barbara A. Casey	Yes	Vincent Howell	Yes
David L. Romero	Yes	David A. Ulibarri, Jr.	Yes

Councilor Casey made a motion to reconvene into executive session. Councilor Romero and Councilor Ulibarri, Jr. seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

Vincent Howell	Yes	David L. Romero	Yes
Barbara A. Casey	Yes	David A. Ulibarri, Jr.	Yes

City Clerk Fresquez re-read the motion and advised that the motion carried.

Councilor Casey made a motion to reconvene into Regular Session and advised that only discussion regarding the special audit report took place and that no action was taken . Councilor Howell seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

David A. Ulibarri, Jr.	Yes	David L. Romero	Yes
Barbara A. Casey	Yes	Vincent Howell	Yes

City Clerk Fresquez re-read the motion and advised that the motion carried.

ADJOURN

Councilor Romero made a motion to adjourn. Councilor Howell seconded the motion. Mayor Gurulé-Girón asked for roll call. Roll Call Vote was taken and reflected the following:

Vincent Howell	Yes	Barbara A. Casey	Yes
David L. Romero	Yes	David A. Ulibarri, Jr.	Yes

City Clerk Fresquez re-read the motion and advised that the motion carried.

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Mayor Tonita Gurulé-Girón

ATTEST:

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Casandra Fresquez, City Clerk

Regular or Special
CITY COUNCIL MEETING AGENDA REQUEST

DATE: 4/6/18 **DEPT: Executive** **MEETING DATE: 4/18/18**

ITEM/TOPIC: Presentation by Chuck Brown with Sunrise Medical Group.

ACTION REQUESTED OF COUNCIL: No Action

BACKGROUND/RATIONALE:

STAFF RECOMMENDATION:

COMMITTEE RECOMMENDATION:

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY CLERK'S OFFICE NO LATER THAN 5:00 P.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:

TONITA GURULÉ-GIRÓN
MAYOR

TANA VEGA
INTERIM FINANCE DIRECTOR
(PROCUREMENT)

ANN MARIE GALLEGOS
INTERIM CITY MANAGER

CITY ATTORNEY
(ALL CONTRACTS, ORDINANCES AND RESOLUTIONS MUST BE REVIEWED)

Revised 1/3/18

Regular

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 04/09/2018 DEPT: Executive MEETING DATE: 04/18/18

ITEM/TOPIC: ***Presentation by Leah Knutson presented by Professor Edward Martinez on*** **HPWA's river restoration work and how it positively impacts our water security.**

ACTION REQUESTED OF COUNCIL: No Action

BACKGROUND/RATIONALE:

STAFF RECOMMENDATION:

COMMITTEE RECOMMENDATION:

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY CLERK'S OFFICE NO LATER THAN 5:00 P.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:

TONITA GURULÉ-GIRÓN
MAYOR

TANA VEGA
INTERIM FINANCE DIRECTOR
(PROCUREMENT)

ANN MARIE GALLEGOS
INTERIM CITY MANAGER

CITY ATTORNEY
(ALL CONTRACTS, ORDINANCES AND RESOLUTIONS MUST BE REVIEWED)

GENERAL FUND REVENUE COMPARISON
THRU MARCH 31, 2018 75% OF YEAR LAPSED (09 of 12 months)
FISCAL YEAR 2018

Total Budget to Actual Comparison

	A	B	C	D	E	G
	FY 2017 BUDGET	FY 2018 BUDGET	FY 2018 YTD - BUDGET	FY 2017 YTD - ACTUAL	FY 2018 YTD - ACTUAL	(E/B) FY 2018 % REV
PROPERTY TAX	1,373,000	1,291,000	860,667	1,384,040	1,116,002	86%
GROSS RECEIPT TAX 1.225	3,550,000	3,550,000	2,366,667	3,450,931	2,723,964	77%
FRANCHISE TAX	800,000	775,000	516,667	776,759	507,615	65%
GROSS RECEIPT TAX .75	2,445,000	2,440,000	1,626,667	2,268,187	1,789,543	73%
1/8 INFRASTRUCTURE	351,000	360,000	240,000	364,816	284,932	79%
GRT .25 (JAN 2011)	697,000	725,000	483,333	982,914	806,783	111%
GRT -HOLD HARMLESS (JULY 2015	(110,400)	(110,400)	-73,600	(110,400)	(82,800)	75%
LICENSE & FEES	70,500	61,000	40,667	49,782	82,008	134%
INTERGOVERNMENTAL	71,500	83,716	55,811	75,542	65,581	78%
LOCAL-FINES	62,000	77,000	51,333	80,604	45,623	59%
LOCAL-MISC	1,715,000	1,737,235	1,158,157	1,842,195	1,248,941	72%
TOTAL	11,024,600	10,989,551	7,326,367	11,165,370	8,588,190	78%

(License& Fees-Business Licenses, Liquor Licenses and Building Permits,Development Fees)
(Local Fines- Court Fines, Library Fines, Traffic Safety Fines)

GENERAL FUND EXPENDITURE COMPARISON
THRU MARCH 31, 2018 75% OF YEAR LAPSED (09 of 12 months)
FISCAL YEAR 2018

Total Budget to Actual Comparison

	A	B	C	D	E	F	H
	FY 2017 BUDGET	FY 2018 BUDGET	FY 2018 YTD - BUDGET	FY 2017 YTD - ACTUAL	FY 2018 YTD - ACTUAL	FY 2018 AVAIL. BAL.	(E/B) % BDGT
JUDICIAL	317,921	307,959	205,306	314,539	209,544	98,415	68%
EXECUTIVE	483,117	397,969	265,313	391,291	273,036	124,933	69%
ADMINISTRATION	250,724	272,858	181,905	239,718	167,645	105,213	61%
CITY ATTORNEY	242,572	231,944	154,629	196,227	124,539	107,405	54%
PERSONNEL/HR	301,188	278,960	185,973	281,386	186,664	92,296	67%
FINANCE	628,990	452,393	301,595	556,994	315,573	136,820	70%
COMMUNITY DEV.	561,189	533,845	355,897	405,762	291,603	242,242	55%
POLICE	3,990,907	3,854,744	2,569,829	3,833,534	2,649,865	1,204,879	69%
CODE ENFORCEMENT	182,250	136,113	90,742	141,476	81,288	54,825	60%
ANIMAL SHELTER	137,635	135,490	90,327	115,943	90,535	44,955	67%
FIRE	1,357,699	1,257,365	838,243	1,180,326	852,882	404,483	68%
PUBLIC WORKS/AIRPORT	511,127	474,004	316,003	456,965	250,890	223,114	53%
PARKS	338,273	286,222	190,815	254,430	199,210	87,012	70%
AIRPORT	0	0	0	0	0	0	0%
LIBRARY	239,494	205,217	136,811	195,861	115,681	89,536	56%
MUSEUM	151,900	150,845	100,563	141,427	96,846	53,999	64%
GENERAL SERVICES	2,358,253	2,358,248	1,572,165	2,355,812	1,258,553	1,099,695	53%
SALARY CONTINGENCY	0	0	0	0	0	0	0%
TRANSFERS	740,703	698,517	465,678	729,667	539,632	158,885	77%
TOTAL	12,793,942	12,032,693	8,021,795	11,791,358	7,703,985	4,328,708	64%

RECREATION DEPARTMENT-REVENUE COMPARISON
THRU MARCH 31, 2018 - 75% OF YEAR LAPSED 9 OF 12 MONTHS
FISCAL YEAR 2018

	A	B	C	D	E		G (E/B)
	FY 2017 BUDGET	FY 2018 BUDGET	FY 2018 YTD - BUDGET	FY 2017 YTD - ACTUAL	FY 2018 YTD - ACTUAL		% REV
RECREATION-TAXES (Cig)	0	0				#DIV/0!	#DIV/0!
WELLNESS CENTER	100,000	115,000	76,667	34,264	88,569		67%
OPEN SWIM	0	20,000	13,333		6,005		27%
YAFL	3,000	0	0	1,320	0		0%
YABL	20,000	20,000	13,333	16,840	4,570		23%
SUMMER FUN PROGRAM	20,000	20,000	13,333	19,092	6,380		15%
RECREATION-OTHER	29,800	108,964	72,643	18,408	40,432		34%
GEN FUND TRANSFER	300,000	400,000	266,667	300,000	299,880		67%
TOTAL	472,800	683,964	455,976	389,924	445,836		57%

RECREATION DEPARTMENT- EXPENDITURE COMPARISON
THRU MARCH 31, 2018 - 75% OF YEAR LAPSED 9 OF 12 MONTHS
FISCAL YEAR 2018

	A	B	C	D	E	F	H (E/B)
	FY 2017 BUDGET	FY 2018 BUDGET	FY 2018 YTD - BUDGET	FY 2017 ACTUAL	FY 2018 YTD - ACTUAL	FY 2018 AVAIL. BAL.	% BDGT
EMPLOYEE EXP.	443,266	533,351	355,567	389,973	373,652	159,699	57%
YAFL	1,450	0	0	600	0	0	0%
YABL	3,117	4,050	2,700	2,845	2,835	1,215	70%
OTHER OPERATING EXP.	56,693	138,562	92,375	32,960	52,345	86,217	63%
CAPITAL OUTLAY	6,600	8,000	5,333	1,847	4,943	3,057	60%
TOTAL	511,126	683,963	455,975	428,225	433,775	250,188	59%

ENTERPRISE FUNDS-REVENUE COMPARISON
THRU MARCH 31,- 75% YEAR LAPSED (9 of 12 months)
FISCAL YEAR 2018

Total Budget to Actual Comparison

	A	B	C	D	E	G
	FY 2017 BUDGET	FY 2018 BUDGET	FY 2018 YTD - BUDGET	FY 2017 YTD - ACTUAL	FY 2018 YTD - ACTUAL	(E/B) % BUDGET
WASTE WATER (610)	2,859,638	2,866,100	1,910,733	2,783,241	2,258,858	79%
NATURAL GAS (620)	5,237,000	5,236,000	3,490,667	5,211,845	3,571,555	68%
SOLID WASTE (630)	3,404,700	3,419,400	2,279,600	3,518,794	2,567,762	75%
WATER (640)	4,743,050	4,800,150	3,200,100	4,825,859	3,800,222	79%
Total of Enterprise Funds	16,244,388	16,321,650	10,881,100	16,339,739	12,198,396	75%

ENTERPRISE FUNDS-EXPENDITURES COMPARISON
THRU MARCH 31,- 75% YEAR LAPSED (9 of 12 months)
FISCAL YEAR 2018

Total Budget to Actual Comparison

	A	B	C	D	E	F	H
	FY 2017 BUDGET	FY 2018 BUDGET	FY 2018 YTD - BUDGET	FY 2017 ACTUAL	FY 2018 YTD - ACTUAL	FY 2018 AVAIL. BAL.	(E/B) % BUDGET
WASTE WATER(610)	2,541,860	3,297,778	2,198,519	2,295,004	2,237,865	1,059,913	68%
NATURAL GAS (620)	5,938,026	5,938,908	3,959,272	4,583,702	3,416,666	2,522,242	58%
SOLID WASTE (630)	4,088,165	3,733,787	2,489,191	3,618,120	2,501,229	1,232,558	67%
WATER (640)	4,214,893	5,681,820	3,787,880	3,432,077	3,851,801	1,830,019	68%
Total of Enterprise Funds	16,782,944	18,652,293	12,434,862	13,928,903	12,007,561	6,644,732	64%

City of Las Vegas
General Fund
Two Year Analysis of Gross Receipt Taxes - Cash Basis
For Fiscal Years Ended March 31

Fund: 101 - GENERAL Revenue		2016-2017 YTD Activity	2017-2018 YTD Activity	Variances Increase (Decrease)
101-0000-410-5103	GROSS RECEIPTS TAX 1.225	$ 2,669,097.49	$ 2,723,964.02	$ 54,866.53
101-0000-410-5113	MUNICIPAL GROSS TAX .75	1,754,277.47	1,789,542.61	35,265.14
101-0000-410-5114	MUNICIPAL GRT .25%	739,411.70	806,782.66	67,370.96
101-0000-410-5115	GRT HOLD HARMLESS	-	-	
101-0000-430-5354	1/8 INFRASTRUCTURE	282,520.84	284,931.61	2,410.77
101-0000-450-5603	OTHR ADMN FEES/GRT	99,756.91	80,937.26	(18,819.65)
TOTAL GROSS RECEIPTS TAXES		5,545,064.41	5,686,158.16	141,093.75
Total General Fund Revenues		**$ 8,458,316.93**	**$ 8,670,991.86**	**$ 212,674.93**
% of Gross Receipts Taxes of Total Revenues		**66%**	**66%**	

Current tax rate	8.3958%
State Share	5.125%
County Share	1.2083%
City Share	2.0625%

Expenditures & Transfers	$ 8,535,331.25	$ 7,703,985.14	$ (831,346.11)
	$ (77,014.32)	**$ 967,006.72**	**$ 1,120,621.49**

The State withheld these amounts from our share of gross receipts taxes as an administrative fee, therefore, our total amount collected excludes these amounts.

GASB requires that all revenue be presented for reporting purposes.

Regular or Special
CITY COUNCIL MEETING AGENDA REQUEST

DATE: 4/6/18 **DEPT: Executive** **MEETING DATE: 4/18/18**

ITEM/TOPIC: Resolution #18-17 Authorizing the lease of a small parcel of property located in the rear of the Harold Ledoux fire Station by American Tower.

ACTION REQUESTED OF COUNCIL: Approval/Disapproval of Resolution #18-17 authorizing the lease of a small parcel of property located in the rear of the Harold Ledoux fire Station by American Tower.

BACKGROUND/RATIONALE: American Tower desires to lease this portion of land belonging to the Fire Department located at 604 Legion Dr. for the use of a cell phone tower.

STAFF RECOMMENDATION:

COMMITTEE RECOMMENDATION:

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY CLERK'S OFFICE NO LATER THAN 5:00 P.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:

TONITA GURULÉ-GIRÓN
MAYOR

TANA VEGA
INTERIM FINANCE DIRECTOR
(PROCUREMENT)

ANN MARIE GALLEGOS
INTERIM CITY MANAGER

CITY ATTORNEY
(ALL CONTRACTS, ORDINANCES AND RESOLUTIONS MUST BE REVIEWED)

Revised 1/3/18

CITY OF LAS VEGAS
CITY COUNCIL
RESOLUTION NO. 18-17

RESOLUTION AUTHORIZING THE LEASE OF A SMALL PARCEL OF PROPERTY LOCATED IN THE REAR OF THE HAROLD LEDOUX FIRE STATION BY AMERICAN TOWER

WHEREAS, the City of Las Vegas, New Mexico is the record owner of certain property located at 604 Legion Dr, Las Vegas, New Mexico; and

WHEREAS, American Tower desires to lease this portion of land belonging to the Fire Department located at 604 Legion Dr., for use of a Cell Phone tower.

WHEREAS, pursuant to Section 3-54-1A, NMSA 1978; and to City of Las Vegas Resolution No. 06-08 approved on February 15, 2006, the City Council of the City of Las Vegas desires to lease said parcel of land; and

WHEREAS, there has been an appraisal of the lease property which indicates that said property is valued at less than $25,000; and

WHEREAS, the proposed Lease is attached to this Resolution as Exhibit A; and

WHEREAS, the City Manager has formally recommended the approval of this Lease by the City Council.

NOW THEREFORE, the City Council, the governing body of the City of Las Vegas, New Mexico hereby resolves that:

1. The property to be Leased is not needed for any City purpose.

2. Subject to the provisions of Section 3-54-1A, NMSA 1978 and City of Las Vegas Resolution No. 06-08, the Mayor of the City of Las Vegas is authorized to sign the Lease Agreement with American Tower, owner of the Cell Phone Tower which Lease is attached to this Resolution as Exhibit A, for the following described parcel of land:

See Exhibit "B" attached for legal description

PASSED, APPROVED AND ADOPTED THIS _____ DAY OF _____, 2018.

_____
Tonita Gurulé-Girón, Mayor

ATTEST:

_____
Casandra Fresquez, City Clerk

REVIEWED AND APPROVED BY:

_____
Danelle J. Smith, City Attorney

AMERICAN TOWER®
CORPORATION

Exhibit "A"

January 9, 2018

City of Las Vegas, NM
Attn: Fire Chief Billy Montoya
1700 N. Grand Avenue
Las Vegas, NM 87701

American Tower Site No. 417758

Dear Chief Montoya,

Enclosed is the Amendment that will add 30 additional years to the existing lease. You will still collect your rent and your rent will continue to escalate 15% each 5 year term for all current and additional terms. I have flagged where you need to have signed or notarized. No witness signatures are necessary for the State of New Mexico.

Please complete the W-9 enclosed to expedite the one-time payment of $50,000.00. We will order title and a survey once we receive the signed documents. It usually takes 30-45 days to close after you send in the signed paperwork.

For the Resolution and Consent section, it will not be necessary to complete if you can provide the Minutes to the meeting showing approval of the lease extension and designating Ann Marie Gallegos to sign the Amendment. If you don't have Minutes, then the Resolution and Consent Affidavit will need to be signed by all those with signing authority.

We only need one signed document from you. I will e-mail you a copy of the fully executed Agreement when we counter sign. Use the enclosed pre-paid FedEx envelope to return the signed paperwork. Drop at any **FedEx** location. Please don't hesitate to call me if you have any questions.

Sincerely,

Beth Henson

Beth Henson
Land Acquisitions
American Tower Corporation
3500 Regency Parkway, Suite 100
Cary, NC 27518
Phone: 919-466-5002 (direct line)
Cell: 954-415-0629

THE FIRST AMENDMENT TO COMMUNICATIONS SITE OPTION AND LAND LEASE AGREEMENT

This First Amendment to Communications Site Option and Land Lease Agreement (this "***Amendment***") is made effective as of the latter signature date hereof (the "***Effective Date***") by and between **City of Las Vegas** ("***Landlord***") and **Alltel Communications, LLC d/b/a Verizon Wireless** ("***Tenant***") (Landlord and Tenant being collectively referred to herein as the "***Parties***").

RECITALS

WHEREAS, Landlord owns the real property described on **Exhibit A** attached hereto and by this reference made a part hereof (the "***Parent Parcel***"); and

WHEREAS, Landlord (or its predecessor-in-interest) and Tenant (or its predecessor-in-interest) entered into that certain Communications Site Option and Land Lease Agreement dated September 17, 2003 (as the same may have been amended, collectively, the "***Lease***"), pursuant to which the Tenant leases a portion of the Parent Parcel and is the beneficiary of certain easements for access and public utilities, all as more particularly described in the Lease (such portion of the Parent Parcel so leased along with such portion of the Parent Parcel so affected, collectively, the "***Leased Premises***"), which Leased Premises are also described on **Exhibit A**; and

WHEREAS, Tenant, Verizon Communications Inc., a Delaware corporation, and other parties identified therein, entered into a Management Agreement and a Master Prepaid Lease, both with an effective date of March 27, 2015 and both with ATC Sequoia LLC, a Delaware limited liability company ("***American Tower***"), pursuant to which American Tower subleases, manages, operates and maintains, as applicable, the Leased Premises, all as more particularly described therein; and

WHEREAS, Tenant has granted American Tower a limited power of attorney (the "***POA***") to, among other things, prepare, negotiate, execute, deliver, record and/or file certain documents on behalf of Tenant, all as more particularly set forth in the POA; and

WHEREAS, Landlord and Tenant desire to amend the terms of the Lease to extend the term thereof and to otherwise modify the Lease as expressly provided herein.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants set forth herein and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **One-Time Payment**. Tenant shall pay to Landlord a one-time payment in the amount of **Fifty Thousand and No/100 Dollars ($50,000.00)**, payable within thirty (30) days of the Effective Date and subject to the following conditions precedent: (a) Tenant's receipt of this Amendment executed by Landlord, on or before February 28, 2018; (b) Tenant's confirmation that Landlord's statements as further set forth in this Amendment are true, accurate, and complete, including verification of Landlord's ownership; (c) Tenant's receipt of any documents and other items reasonably requested by Tenant in order to effectuate the transaction and payment contemplated herein; and (d) receipt by Tenant of an original Memorandum (as defined herein) executed by Landlord.

2. **Lease Term Extended**. Notwithstanding anything to the contrary contained in the Lease or this Amendment, the Parties agree the Lease originally commenced on November 17, 2003 and, without giving effect to the terms of this Amendment but assuming the exercise by Tenant of all remaining renewal options contained in the Lease (each an "***Existing Renewal Term***" and, collectively, the "***Existing Renewal Terms***"), the Lease is otherwise scheduled to expire on November 16, 2028. In addition to any Existing Renewal Term(s), the Lease is hereby amended to provide Tenant with the option to extend the Lease for each of six (6) additional five (5) year renewal terms (each a "***New Renewal Term***" and, collectively, the "***New Renewal Terms***"). Notwithstanding anything to the contrary contained in the

Lease, (a) all Existing Renewal Terms and New Renewal Terms shall automatically renew unless Tenant notifies Landlord that Tenant elects not to renew the Lease at least sixty (60) days prior to the commencement of the next Renewal Term (as defined below) and (b) Landlord shall be able to terminate this Lease only in the event of a material default by Tenant, which default is not cured within sixty (60) days of Tenant's receipt of written notice thereof, provided, however, in the event that Tenant has diligently commenced to cure a material default within sixty (60) days of Tenant's actual receipt of notice thereof and reasonably requires additional time beyond the sixty (60) day cure period described herein to effect such cure, Tenant shall have such additional time as is necessary (beyond the sixty [60] day cure period) to effect the cure. References in this Amendment to "***Renewal Term***" shall refer, collectively, to the Existing Renewal Term(s) and the New Renewal Term(s). The Landlord hereby agrees to execute and return to Tenant an original Memorandum of Lease in the form and of the substance attached hereto as **Exhibit B** and by this reference made a part hereof (the "***Memorandum***") executed by Landlord, together with any applicable forms needed to record the Memorandum, which forms shall be supplied by Tenant to Landlord.

3. **Rent and Escalation**. The rent payable from Tenant to Landlord under the Lease currently is and shall remain **Fifteen Thousand Eight Hundred Seventy and No/100 Dollars ($15,870.00)** per year (the "***Rent***"). Commencing on November 17, 2018 and on the beginning of each Renewal Term thereafter, Rent due under the Lease shall increase by an amount equal to fifteen percent (15%) of the then current Rent. In the event of any overpayment of Rent prior to or after the Effective Date, Tenant shall have the right to deduct from any future Rent payments an amount equal to the overpayment amount. Notwithstanding anything to the contrary contained in the Lease, all Rent and any other payments expressly required to be paid by Tenant to Landlord under the Lease and this Amendment shall be paid to **City of Las Vegas NM**. The escalations in this Section shall be the only escalations to the Rent and any/all rental escalations otherwise contained in the Lease are hereby null and void and of no further force and effect.

4. **Landlord and Tenant Acknowledgments**. Except as modified herein, the Lease and all provisions contained therein remain in full force and effect and are hereby ratified and affirmed. The Parties hereby agree that no defaults exist under the Lease. To the extent Tenant needed consent and/or approval from Landlord for any of Tenant's activities at and uses of the site prior to the Effective Date, including subleasing to American Tower, Landlord's execution of this Amendment is and shall be considered consent to and approval of all such activities and uses and confirmation that no additional consideration is owed to Landlord for such activities and uses. Landlord hereby acknowledges and agrees that Tenant shall not need consent or approval from, or to provide notice to, Landlord for any future activities at or uses of the Leased Premises, including, without limitation, subleasing and licensing to additional customers, installing, modifying, repairing, or replacing improvements within the Leased Premises, and/or assigning all or any portion of Tenant's interest in this Lease, as modified by this Amendment. Tenant and Tenant's sublessees and customers shall have vehicular (specifically including truck) and pedestrian access to the Leased Premises from a public right of way on a 24 hours per day, 7 days per week basis, together with utilities services to the Leased Premises from a public right of way. Upon request by Tenant and at Tenant's sole cost and expense and for no additional consideration to Landlord, Landlord hereby agrees to promptly execute and return to Tenant building permits, zoning applications and other forms and documents, including a memorandum of lease, as required for the use of the Leased Premises by Tenant and/or Tenant's customers, licensees, and sublessees. Landlord hereby appoints Tenant as Landlord's attorney-in-fact coupled with an interest to prepare, execute and deliver land use and zoning and building permit applications that concern the Leased Premises, on behalf of Landlord with federal, state and local governmental authorities, provided that such applications shall be limited strictly to the use of the Leased Premises as a wireless telecommunications facility and that such attorney-in-fact shall not allow Tenant to re-zone or otherwise reclassify the Leased Premises or the Parent Parcel. The terms, provisions, and conditions of this Section shall survive the execution and

delivery of this Amendment.

5. **Limited Right of First Refusal**. Notwithstanding anything to the contrary contained herein, this paragraph shall not apply to any fee simple sale of the Parent Parcel from Landlord to any prospective purchaser that is not a Third Party Competitor (as herein defined) or to American Tower. If Landlord receives an offer or desires to offer to: (i) sell or convey any interest (including, but not limited to, leaseholds or easements) in any real property of which the Leased Premises is a part to any person or entity directly or indirectly engaged in the business of owning, acquiring, operating, managing, investing in or leasing wireless telecommunications infrastructure (any such person or entity, a "***Third Party Competitor***") or (ii) assign all or any portion of Landlord's interest in the Lease to a Third Party Competitor (any such offer, the "***Offer***"), Tenant shall have the right of first refusal to purchase the real property or other interest being offered by Landlord in connection with the Offer on the same terms and conditions. If Tenant elects, in its sole and absolute discretion, to exercise its right of first refusal as provided herein, Tenant must provide Landlord with notice of its election not later than forty-five (45) days after Tenant receives written notice from Landlord of the Offer. If Tenant elects not to exercise Tenant's right of first refusal with respect to an Offer as provided herein, Landlord may complete the transaction contemplated in the Offer with the Third Party Competitor on the stated terms and price but with the express condition that such sale is made subject to the terms of the Lease, as modified by this Amendment. Landlord hereby acknowledges and agrees that any sale or conveyance by Landlord in violation of this Section is and shall be deemed to be null and void and of no force and effect. The terms, provisions, and conditions of this Section shall survive the execution and delivery of this Amendment. For the avoidance of doubt, American Tower, its affiliates and subsidiaries, shall not be considered a Third Party Competitor and this provision shall not apply to future transactions with American Tower, its affiliates and subsidiaries.

6. **Landlord Statements**. Landlord hereby represents and warrants to Tenant that: (i) to the extent applicable, Landlord is duly organized, validly existing, and in good standing in the jurisdiction in which Landlord was organized, formed, or incorporated, as applicable, and is otherwise in good standing and authorized to transact business in each other jurisdiction in which such qualifications are required; (ii) Landlord has the full power and authority to enter into and perform its obligations under this Amendment, and, to the extent applicable, the person(s) executing this Amendment on behalf of Landlord, have the authority to enter into and deliver this Amendment on behalf of Landlord; (iii) no consent, authorization, order, or approval of, or filing or registration with, any governmental authority or other person or entity is required for the execution and delivery by Landlord of this Amendment; (iv) Landlord is the sole owner of the Leased Premises and all other portions of the Parent Parcel; (v) to the best of Landlord's knowledge, there are no agreements, liens, encumbrances, claims, claims of lien, proceedings, or other matters (whether filed or recorded in the applicable public records or not) related to, encumbering, asserted against, threatened against, and/or pending with respect to the Leased Premises or any other portion of the Parent Parcel which do or could (now or any time in the future) adversely impact, limit, and/or impair Tenant's rights under the Lease, as amended and modified by this Amendment; and (vi) the square footage of the Leased Premises is the greater of Tenant's existing improvements on the Parent Parcel or the land area conveyed to Tenant under the Lease. The representations and warranties of Landlord made in this Section shall survive the execution and delivery of this Amendment. Landlord hereby does and agrees to indemnify Tenant for any damages, losses, costs, fees, expenses, or charges of any kind sustained or incurred by Tenant as a result of the breach of the representations and warranties made herein or if any of the representations and warranties made herein prove to be untrue. The aforementioned indemnification shall survive the execution and delivery of this Amendment.

7. **Confidentiality**. Notwithstanding anything to the contrary contained in the Lease or in this Amendment, Landlord agrees and acknowledges that all the terms of this Amendment and the Lease and any

information furnished to Landlord by Tenant or American Tower in connection therewith shall be and remain confidential. Except with Landlord's family, attorney, accountant, broker, lender, a prospective fee simple purchaser of the Parent Parcel, or if otherwise required by law, Landlord shall not disclose any such terms or information without the prior written consent of Tenant. The terms and provisions of this Section shall survive the execution and delivery of this Amendment.

8. **Notices**. All notices must be in writing and shall be valid upon receipt when delivered by hand, by nationally recognized courier service, or by First Class United States Mail, certified, return receipt requested to the addresses set forth herein: to Landlord at: City of Las Vegas, P.O. Box 160, 1700 N. Grand Ave., Las Vegas, NM 87701; to Tenant at: Verizon Wireless, Attn.: Network Real Estate, 180 Washington Valley Road, Bedminster, NJ 07921; with copy to: American Tower, Attn.: Land Management, 10 Presidential Way, Woburn, MA 01801; and also with copy to: Attn.: Legal Dept. 116 Huntington Avenue, Boston, MA 02116. Any of the Parties, by thirty (30) days prior written notice to the others in the manner provided herein, may designate one or more different notice addresses from those set forth above. Refusal to accept delivery of any notice or the inability to deliver any notice because of a changed address for which no notice was given as required herein, shall be deemed to be receipt of any such notice.

9. **Counterparts**. This Amendment may be executed in several counterparts, each of which when so executed and delivered, shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument, even though all Parties are not signatories to the original or the same counterpart. Furthermore, the Parties may execute and deliver this Amendment by electronic means such as .pdf or similar format. Each of the Parties agrees that the delivery of the Amendment by electronic means will have the same force and effect as delivery of original signatures and that each of the Parties may use such electronic signatures as evidence of the execution and delivery of the Amendment by all Parties to the same extent as an original signature.

10. **Governing Law**. Notwithstanding anything to the contrary contained in the Lease and in this Amendment, the Lease and this Amendment shall be governed by and construed in all respects in accordance with the laws of the State or Commonwealth in which the Leased Premises is situated, without regard to the conflicts of laws provisions of such State or Commonwealth.

11. **Waiver**. Notwithstanding anything to the contrary contained herein, in no event shall Landlord or Tenant be liable to the other for, and Landlord and Tenant hereby waive, to the fullest extent permitted under applicable law, the right to recover incidental, consequential (including, without limitation, lost profits, loss of use or loss of business opportunity), punitive, exemplary and similar damages.

12. **Tenant's Securitization Rights; Estoppel**. Landlord hereby consents to the granting by Tenant and/or American Tower of one or more leasehold mortgages, collateral assignments, liens, and/or other security interests (collectively, a "***Security Interest***") in Tenant's (or American Tower's) interest in this Lease, as amended, and all of Tenant's (or American Tower's) property and fixtures attached to and lying within the Leased Premises and further consents to the exercise by Tenant's (or American Tower's) mortgagee ("***Tenant's Mortgagee***") of its rights to exercise its remedies, including without limitation foreclosure, with respect to any such Security Interest. Landlord shall recognize the holder of any such Security Interest of which Landlord is given prior written notice (any such holder, a "***Holder***") as "Tenant" hereunder in the event a Holder succeeds to the interest of Tenant and/or American Tower hereunder by the exercise of such remedies. Landlord further agrees to execute a written estoppel certificate within thirty (30) days of written request of the same by Tenant, American Tower or Holder.

13. **Taxes**. The Parties hereby agree that Section 13 of the Lease is deleted in its entirety. During the term of the Lease, Landlord shall pay when due all real property, personal property, and other taxes, fees and assessments attributable to the Parent Parcel, including the Leased Premises. Tenant hereby agrees to reimburse Landlord for any personal property taxes in addition to any increase in real property taxes levied against the Parent Parcel, to the extent both are directly attributable to Tenant's improvements on the Leased Premises (but not, however, taxes or other assessments attributable to periods prior to the Effective Date), provided, however, that Landlord must furnish written documentation (the substance and form of which shall be reasonably satisfactory to Tenant) of such personal property taxes or real property tax increase to Tenant along with proof of payment of same by Landlord. Anything to the contrary notwithstanding, Tenant shall not be obligated to reimburse Landlord for any applicable taxes unless Landlord requests such reimbursement within one (1) year after the date such taxes became due. Landlord shall submit requests for reimbursement in writing to: *American Tower Corporation, Attn: Landlord Relations, 10 Presidential Way, Woburn, MA 01801* unless otherwise directed by Tenant from time to time. Subject to the requirements set forth in this Section, Tenant shall make such reimbursement payment within forty-five (45) days of receipt of a written reimbursement request from Landlord. Tenant shall pay applicable personal property taxes directly to the local taxing authority to the extent such taxes are billed and sent directly by the taxing authority to Tenant. If Landlord fails to pay when due any taxes affecting the Parent Parcel as required herein, Tenant shall have the right, but not the obligation, to pay such taxes on Landlord's behalf and: (i) deduct the full amount of any such taxes paid by Tenant on Landlord's behalf from any future payments required to be made by Tenant to Landlord hereunder; (ii) demand reimbursement from Landlord, which reimbursement payment Landlord shall make within thirty (30) days of such demand by Tenant; and/or (iii) collect from Landlord any such tax payments made by Tenant on Landlord's behalf by any lawful means.

[*SIGNATURES COMMENCE ON FOLLOWING PAGE*]

LANDLORD:

City of Las Vegas

Signature: _____
Print Name: _____
Title: _____
Date: _____

[*SIGNATURES CONTINUE ON FOLLOWING PAGE*]

IN WITNESS WHEREOF, Landlord and Tenant have each executed this Memorandum as of the day and year set forth below.

LANDLORD

City of Las Vegas

Signature: _____
Print Name: _____
Title: _____
Date: _____

2 WITNESSES

Signature: _____
Print Name: _____

Signature: _____
Print Name: _____

WITNESS AND ACKNOWLEDGEMENT

State/Commonwealth of _____

County of _____

On this ____ day of _____, 201___, before me, the undersigned Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public
Print Name: _____
My commission expires: _____

[SEAL]

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

TENANT:

Alltel Communications, LLC d/b/a Verizon Wireless

By: ATC Sequoia LLC, a Delaware limited liability company
Title: Attorney-in-Fact

Signature: _____
Print Name: _____
Title: _____
Date: _____

EXHIBIT A

This Exhibit A may be replaced at Tenant's option as described below.

PARENT PARCEL

Tenant shall have the right to replace this description with a description obtained from Landlord's deed (or deeds) that include the land area encompassed by the Lease and Tenant's improvements thereon.

The Parent Parcel consists of the entire legal taxable lot owned by Landlord as described in a deed (or deeds) to Landlord of which the Leased Premises is a part thereof with such Parent Parcel being described below:

Harold LeDoux Fire Station #1, 604 Legion Drive, Las Vegas, San Miguel County, NM, Block 1. Mountain Addition

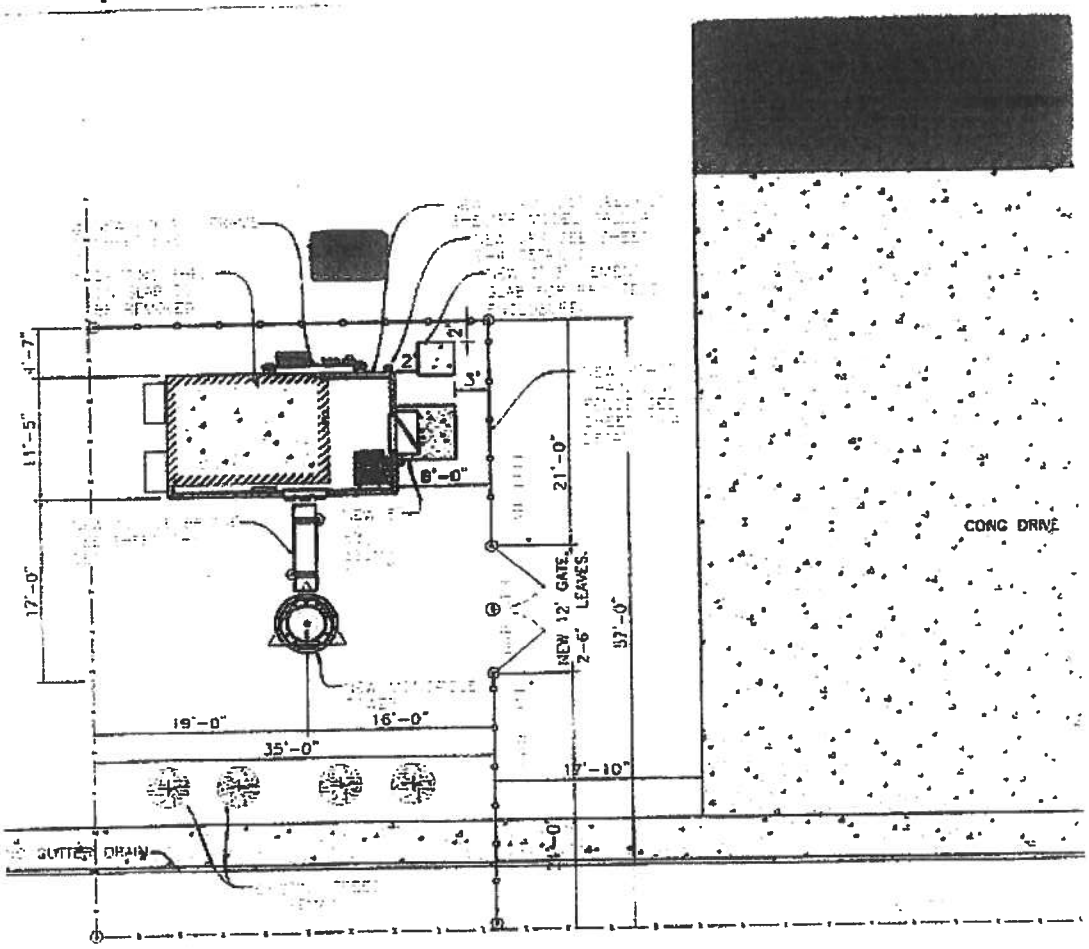
EXHIBIT A (continued)

LEASED PREMISES

Tenant shall have the right to replace this description with a description obtained from the Lease or from a description obtained from an as-built survey conducted by Tenant.

The Leased Premises consists of that portion of the Parent Parcel as defined in the Lease which shall include access and utilities easements. The square footage of the Leased Premises shall be the greater of: (i) the land area conveyed to Tenant in the Lease; (ii) Tenant's (and Tenant's customers) existing improvements on the Parent Parcel; or (iii) the legal description or depiction below (if any).

The premises are located generally as indicated in the sketch attached hereto as Exhibit B. Owner and Tenant agree that upon Tenant's exercise of its option to Lease, Tenant will replace this Exhibit "A" with a revised Exhibit "A" which shall be a surveyed metes and bounds legal description of the Premises, and which shall specifically identify the length and dimension of the Premises upon which Tenant may construct, operate and maintain its Communications Facilities.



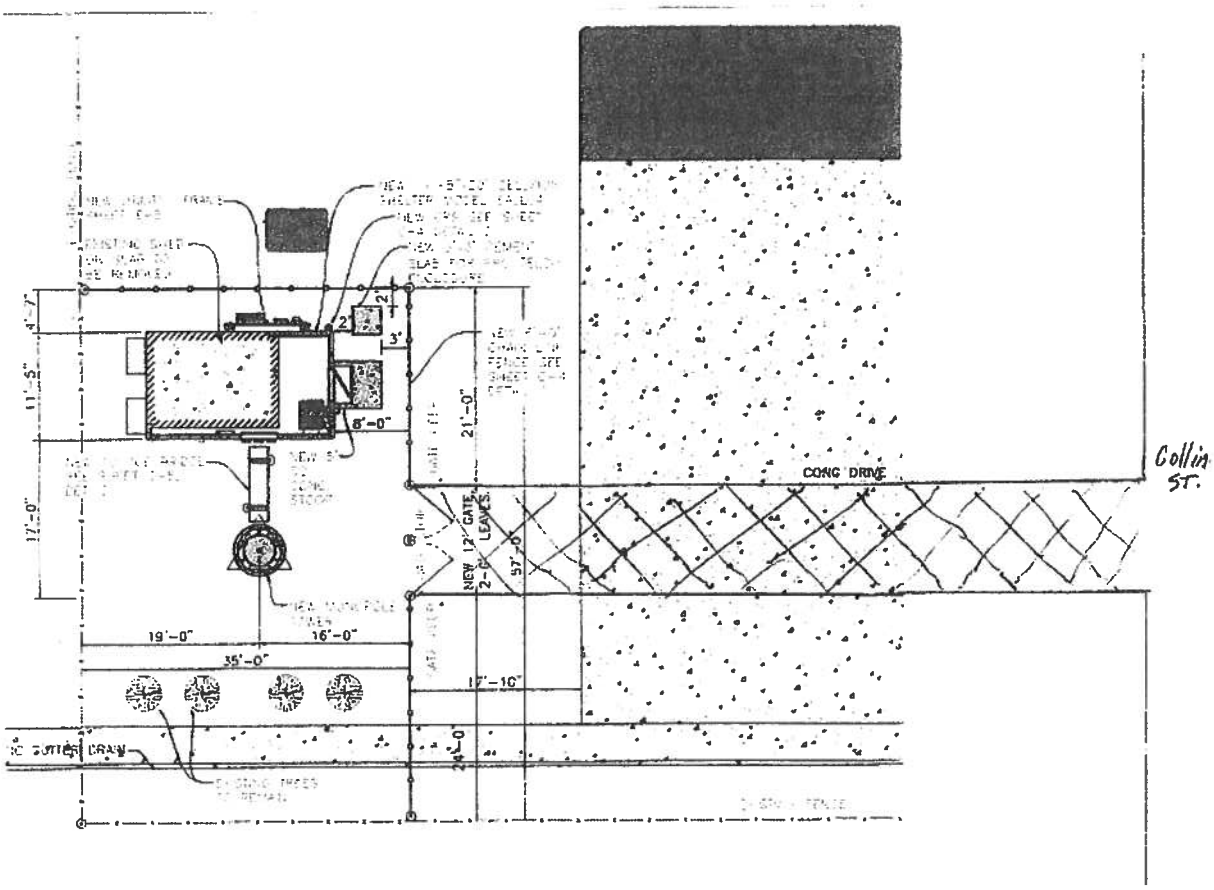
ATC Site No: 417758
VZW Site No: 200128
Site Name: NM04_ABQ_Las Vegas Center NM

EXHIBIT A (continued)

ACCESS AND UTILITIES

The access and utility easements include all easements of record as well that portion of the Parent Parcel currently utilized by Tenant (and Tenant's customers) for ingress, egress and utility purposes from the Leased Premises to and from a public right of way including but not limited to:

The Easement for ingress, egress and utilities across the parent parcel described on Exhibit "A" will be Twenty feet (20') wide and located within the hatch marked area on the sketch below. Owner and Tenant agree that upon Tenant's exercise of its Option to lease, Tenant shall replace this Exhibit "B" with a revised Exhibit "B" which shall be a metes and bounds legal description of the ingress, egress and utility easement which will specifically identify the location and dimensions of the aforesaid easement.



ATC Site No: 417758
VZW Site No: 200128
Site Name: NM04_ABQ_Las Vegas Center NM

EXHIBIT B

FORM OF MEMORANDUM OF LEASE

ATC Site No: 417758
VZW Site No: 200128
Site Name: NM04_ABQ_Las Vegas Center NM

Prepared by and Return to:
American Tower
10 Presidential Way
Woburn, MA 01801
Attn: Land Management/Andrew J. Sabino, Esq.
ATC Site No: 417758
ATC Site Name: NM04_ABQ_Las Vegas Center NM
Assessor's Parcel No(s): 1095094018416

Prior Recorded Lease Reference:
Book 240, Page 4865
State of New Mexico
County of San Miguel

MEMORANDUM OF LEASE

This Memorandum of Lease (the "***Memorandum***") is entered into on the _____ day of _____, 201___ by and between **City of Las Vegas** ("***Landlord***") and **Alltel Communications, LLC d/b/a Verizon Wireless** ("***Tenant***").

NOTICE is hereby given of the Lease (as defined and described below) for the purpose of recording and giving notice of the existence of said Lease. To the extent that notice of such Lease has previously been recorded, then this Memorandum shall constitute an amendment of any such prior recorded notice(s).

1. **Parent Parcel and Lease**. Landlord is the owner of certain real property being described in **Exhibit A** attached hereto and by this reference made a part hereof (the "***Parent Parcel***"). Landlord (or its predecessor-in-interest) and Tenant (or its predecessor-in-interest) entered into that certain Communications Site Option and Land Lease Agreement dated September 17, 2003 (as the same may have been amended from time to time, collectively, the "***Lease***"), pursuant to which the Tenant leases a portion of the Parent Parcel and is the beneficiary of certain easements for access and public utilities, all as more particularly described in the Lease (such portion of the Parent Parcel so leased along with such portion of the Parent Parcel so affected, collectively, the "***Leased Premises***"), which Leased Premises is also described on **Exhibit A**.

2. **American Tower**. Tenant, Verizon Communications Inc., a Delaware corporation, and other parties identified therein, entered into a Management Agreement and a Master Prepaid Lease, both with an effective date of March 27, 2015 and both with ATC Sequoia LLC, a Delaware limited liability company ("***American Tower***"), pursuant to which American Tower subleases, manages, operates and maintains, as applicable, the Leased Premises, all as more particularly described therein. In connection with these responsibilities, Tenant has also granted American Tower a limited power of attorney (the "***POA***") to, among other things, prepare, negotiate, execute, deliver, record and/or file certain documents on behalf of Tenant, all as more particularly set forth in the POA.

3. **Expiration Date**. Subject to the terms, provisions, and conditions of the Lease, and assuming the exercise by Tenant of all renewal options contained in the Lease, the final expiration date of the Lease would be November 16, 2058. Notwithstanding the foregoing, in no event shall Tenant be required to exercise any

option to renew the term of the Lease.

4. **Leased Premises Description**. Tenant shall have the right, exercisable by Tenant at any time during the original or renewal terms of the Lease, to cause an as-built survey of the Leased Premises to be prepared and, thereafter, to replace, in whole or in part, the description(s) of the Leased Premises set forth on **Exhibit A** with a legal description or legal descriptions based upon such as-built survey. Upon Tenant's request, Landlord shall execute and deliver any documents reasonably necessary to effectuate such replacement, including, without limitation, amendments to this Memorandum and to the Lease.

5. **Right of First Refusal**. There is a right of first refusal in the Lease.

6. **Effect/Miscellaneous**. This Memorandum is not a complete summary of the terms, provisions and conditions contained in the Lease. In the event of a conflict between this Memorandum and the Lease, the Lease shall control. Landlord hereby grants the right to Tenant to complete and execute on behalf of Landlord any government or transfer tax forms necessary for the recording of this Memorandum. This right shall terminate upon recording of this Memorandum.

7. **Notices**. All notices must be in writing and shall be valid upon receipt when delivered by hand, by nationally recognized courier service, or by First Class United States Mail, certified, return receipt requested to the addresses set forth herein: to Landlord at: City of Las Vegas, P.O. Box 160, 1700 N. Grand Ave., Las Vegas, NM 87701; to Tenant at: Verizon Wireless, Attn.: Network Real Estate, 180 Washington Valley Road, Bedminster, NJ 07921; with copy to: American Tower, Attn.: Land Management, 10 Presidential Way, Woburn, MA 01801, and also with copy to: Attn.: Legal Dept. 116 Huntington Avenue, Boston, MA 02116. Any of the parties hereto, by thirty (30) days prior written notice to the other in the manner provided herein, may designate one or more different notice addresses from those set forth above. Refusal to accept delivery of any notice or the inability to deliver any notice because of a changed address for which no notice was given as required herein, shall be deemed to be receipt of any such notice.

8. **Counterparts**. This Memorandum may be executed in multiple counterparts, each of which when so executed and delivered, shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

9. **Governing Law**. This Memorandum shall be governed by and construed in all respects in accordance with the laws of the State or Commonwealth in which the Leased Premises is situated, without regard to the conflicts of laws provisions of such State or Commonwealth.

[*SIGNATURES COMMENCE ON FOLLOWING PAGE*]

TENANT

Alltel Communications, LLC d/b/a Verizon Wireless

By: ATC Sequoia LLC,
a Delaware limited liability company
Title: Attorney-in-Fact

Signature: _____
Print Name: _____
Title: _____
Date: _____

WITNESS

Signature: _____
Print Name: _____

Signature: _____
Print Name: _____

WITNESS AND ACKNOWLEDGEMENT

Commonwealth of Massachusetts

County of Middlesex

On this ____ day of _____, 201___, before me, _____ the undersigned Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public
Print Name: _____
My commission expires: _____

[SEAL]

EXHIBIT A

This Exhibit A may be replaced at Tenant's option as described below.

PARENT PARCEL

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Harold LeDoux Fire Station #1, 604 Legion Drive, Las Vegas, San Miguel County, NM, Block 1. Mountain Addition

EXHIBIT A (continued)

LEASED PREMISES

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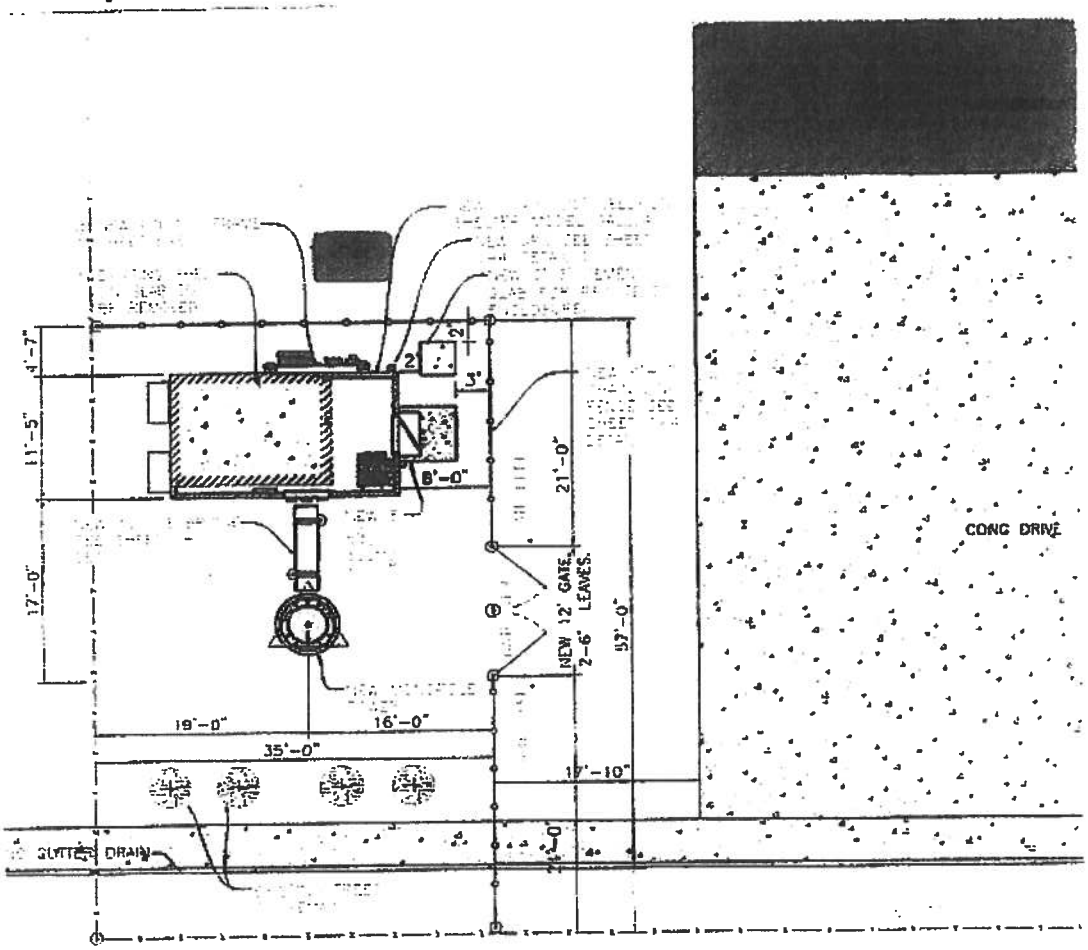
The premises are located generally as indicated in the sketch attached hereto as Exhibit B. Owner and Tenant agree that upon Tenant's exercise of its option to Lease, Tenant will replace this Exhibit "A" with a revised Exhibit "A" which shall be a surveyed metes and bounds legal description of the Premises, and which shall specifically identify the length and dimension of the Premises upon which Tenant may construct, operate and maintain its Communications Facilities.



ATC Site No: 417758
VZW Site No: 200128
Site Name: NM04_ABQ_Las Vegas Center NM

EXHIBIT A (continued)

ACCESS AND UTILITIES

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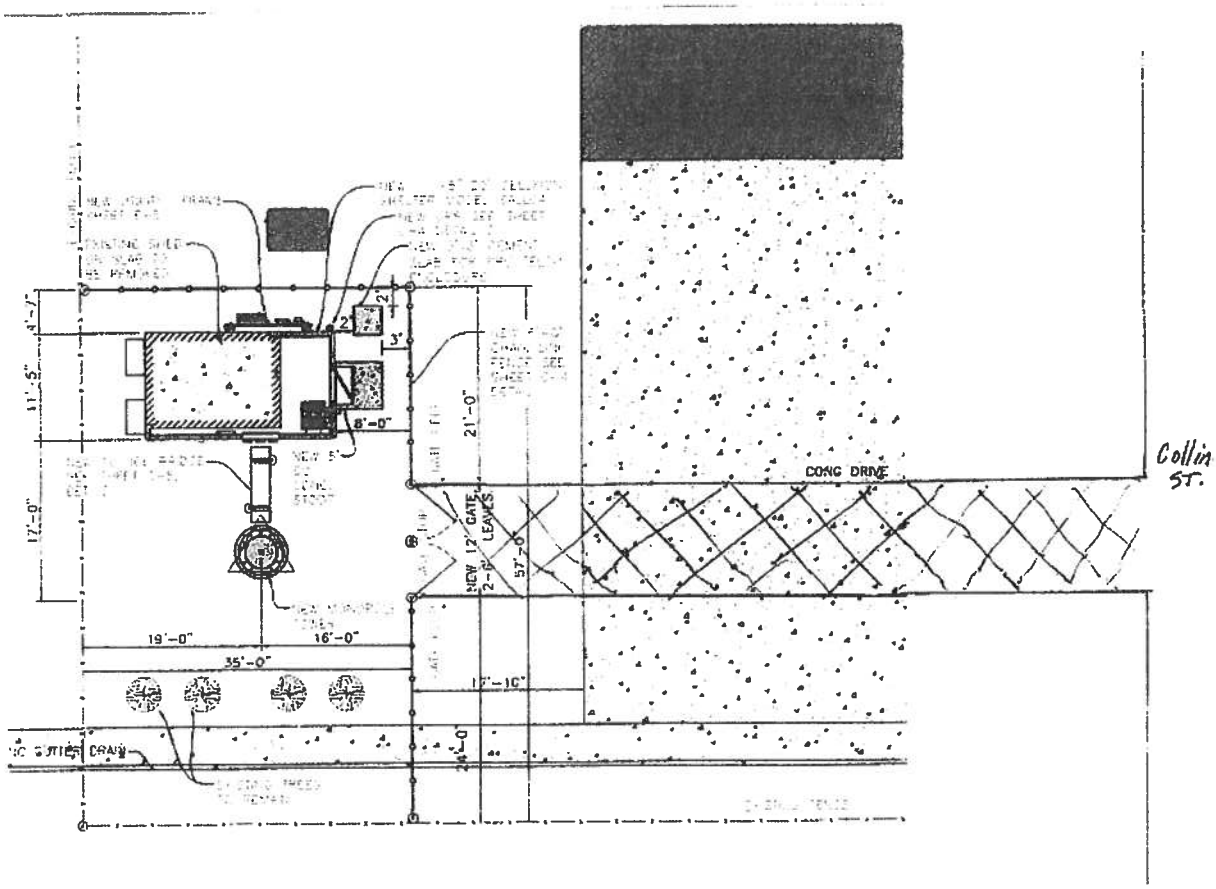
The Easement for ingress, egress and utilities across the parent parcel described on Exhibit "A" will be Twenty feet (20') wide and located within the hatch marked area on the sketch below. Owner and Tenant agree that upon Tenant's exercise of its Option to lease, Tenant shall replace this Exhibit "B" with a revised Exhibit "B" which shall be a metes and bounds legal description of the ingress, egress and utility easement which will specifically identify the location and dimensions of the aforesaid easement.



Instructions for completing the Resolution and Consent Affidavit

IMPORTANT INFORMATION BELOW

In order to avoid delays in the completion of this transaction, the Resolution and Consent Affidavit must be signed by ***ALL*** Members, Partners, Directors, Shareholders, Officers or Trustees of the organization. Section 6 of this form allows for the organization to appoint one person to sign the remaining documents but ***ONE HUNDRED PERCENT (100%)*** of the ownership or voting interest of the organization must sign this first. Failure to comply with these instructions or properly indicate the percentage of ownership and/or voting interest will result in delays and could require the documents to be re-executed. If you have any questions, please contact your land lease representative.

Prepared by and Return to:
American Tower
Attn: Land Management/Andrew J. Sabino, Esq.
10 Presidential Way
Woburn, MA 01801
Assessor's Parcel No(s): 1095094018416

RESOLUTION AND CONSENT AFFIDAVIT

City of Las Vegas

Be it known that, under the pains and penalties of perjury, the undersigned Members, Partners, Directors, Shareholders, Officers or Trustees, as applicable (collectively, the "***Affiants***") of the above referenced entity (the "***Landlord***"), hereby declare and resolve the following:

1. Landlord (or its predecessor-in-interest) has leased or subleased a portion of land to **Alltel Communications, LLC d/b/a Verizon Wireless** (the "***Tenant***") pursuant to that certain Communications Site Option and Land Lease Agreement dated September 17, 2003 (as the same may have been amended from time to time, collectively, the "***Lease***").

2. Landlord and Tenant desire to enter into an amendment of the Lease (the "***Amendment***") in order to extend the term thereof and to further amend the Lease as more particularly set forth in the Amendment.

3. Landlord is duly organized, validly existing, and in good standing in the jurisdiction of its formation, organization, and/or incorporation, as applicable, and is otherwise authorized to transact business and in good standing in any other jurisdictions where such qualifications are required. Landlord has full power and authority to enter into and perform Landlord's obligations under the Amendment and the other Transaction Documents (as hereinafter defined), and the Amendment and the other Transaction Documents have been duly executed and delivered by Landlord. The Affiants listed below are the only legal and equitable owners of Landlord and are the only members, partners, directors, shareholders, officers and/or trustees, as applicable, of Landlord.

4. The Affiants hereby approve of the Transaction Documents and all of the terms and provisions contained therein and declare, resolve and/or affirm, as applicable, that Landlord is hereby authorized to enter into the Transaction Documents with Tenant and effect the transactions contemplated therein. The Affiants hereby declare and affirm that any other corporate and shareholder, member, partner, and/or trustee actions required to effectuate the transactions

contemplated in the Amendment and other Transaction Documents have been completed.

5. The Affiants also declare that they have full legal authority to bind Landlord under the laws of the State or Commonwealth in which the Leased Premises (as defined in the Amendment) is located, and Affiants have the full authority to execute any and all of the Transaction Documents on behalf of Landlord and to nominate individuals to act on Landlord's behalf.

6. The Affiants hereby nominate the below listed individual (the "***Nominee***") as attorney-in-fact to execute and deliver the Amendment, together with any other documents and agreements, including, without limitation, the Memorandum (as defined in the Amendment), required to be executed and delivered pursuant to the terms and provisions of the Amendment (the Amendment and all of such other aforementioned agreements and documents, collectively, the "Transaction Documents"), on behalf of Affiants and Landlord. The Nominee shall have full power and authority to act on behalf of Affiants and on behalf of Landlord for purposes of executing and delivering the Transaction Documents and ensuring that Landlord fulfills its obligations thereunder. Additionally, the Nominee shall have full authority to direct the manner in which all payments made by Tenant pursuant to the Amendment are to be made to Landlord, including, without limitation, identifying which bank account(s) to transfer funds to in the event a wire payment is made by Tenant.

NOMINEE: (Print Name) _____
(Address) _____
_____
_____

7. This Resolution and Consent Affidavit shall become effective as of the date of the last notarized signature of the Affiants listed below.

8. Affiants hereby acknowledge and agree that Tenant, its lenders, and its title insurance company are relying upon, and are entitled to rely upon, this Resolution and Consent Affidavit and the contents hereof as a material inducement to entering into the Amendment and other Transaction Documents. Tenant, its lenders, and its title insurance company may rely upon a faxed, scanned or otherwise electronically reproduced fully-executed copy of this document as if it were an original.

9. This document can only be amended or modified by addendum or an amendment that is fully executed and notarized by all Affiants listed hereunder.

[*SIGNATURES COMMENCE ON FOLLOWING PAGE*]

EXECUTED UNDER THE PAINS AND PENALTIES OF PERJURY ON THE DATE WRITTEN BELOW

AFFIANT NO. 1

Signature: _____
Print Name: _____
Date: _____

Title: (*circle one*) Member, Partner, Director, Shareholder, Officer, Trustee

Percentage Ownership or Voting Interest:
_____%

2 WITNESSES

Signature: _____
Print Name: _____

Signature: _____
Print Name: _____

WITNESS AND ACKNOWLEDGEMENT

State/Commonwealth of _____

County of _____

On this ____ day of _____, 201___, before me, the undersigned Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public
Print Name: _____
My commission expires: _____ [SEAL]

EXECUTED UNDER THE PAINS AND PENALTIES OF PERJURY ON THE DATE WRITTEN BELOW

AFFIANT NO. 2

Signature: _____
Print Name: _____
Date: _____

Title: (*circle one*) Member, Partner, Director, Shareholder, Officer, Trustee

Percentage Ownership or Voting Interest:
_____%

2 WITNESSES

Signature: _____
Print Name: _____

Signature: _____
Print Name: _____

WITNESS AND ACKNOWLEDGEMENT

State/Commonwealth of _____

County of _____

On this ____ day of _____, 201___, before me, the undersigned Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public
Print Name: _____
My commission expires: _____ [SEAL]

EXECUTED UNDER THE PAINS AND PENALTIES OF PERJURY ON THE DATE WRITTEN BELOW

AFFIANT NO. 3

Signature: _____
Print Name: _____
Date: _____

Title: (*circle one*) Member, Partner, Director, Shareholder, Officer, Trustee

Percentage Ownership or Voting Interest:
_____%

2 WITNESSES

Signature: _____
Print Name: _____

Signature: _____
Print Name: _____

WITNESS AND ACKNOWLEDGEMENT

State/Commonwealth of _____

County of _____

On this ____ day of _____, 201___, before me, the undersigned Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public
Print Name: _____
My commission expires: _____

[SEAL]

EXECUTED UNDER THE PAINS AND PENALTIES OF PERJURY ON THE DATE WRITTEN BELOW

AFFIANT NO. 4

Signature: _____
Print Name: _____
Date: _____

Title: (*circle one*) Member, Partner, Director, Shareholder, Officer, Trustee

Percentage Ownership or Voting Interest:
_____%

2 WITNESSES

Signature: _____
Print Name: _____

Signature: _____
Print Name: _____

WITNESS AND ACKNOWLEDGEMENT

State/Commonwealth of _____

County of _____

On this ____ day of _____, 201___, before me, the undersigned Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public
Print Name: _____
My commission expires: _____

[SEAL]

EXECUTED UNDER THE PAINS AND PENALTIES OF PERJURY ON THE DATE WRITTEN BELOW

AFFIANT NO. 5

Signature: _____
Print Name: _____
Date: _____

Title: (*circle one*) Member, Partner, Director, Shareholder, Officer, Trustee

Percentage Ownership or Voting Interest:
_____%

2 WITNESSES

Signature: _____
Print Name: _____

Signature: _____
Print Name: _____

WITNESS AND ACKNOWLEDGEMENT

State/Commonwealth of _____

County of _____

On this ____ day of _____, 201___, before me, the undersigned Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public
Print Name: _____
My commission expires: _____

[SEAL]

EXECUTED UNDER THE PAINS AND PENALTIES OF PERJURY ON THE DATE WRITTEN BELOW

AFFIANT NO. 6

Signature: _____
Print Name: _____
Date: _____

Title: (*circle one*) Member, Partner, Director, Shareholder, Officer, Trustee

Percentage Ownership or Voting Interest:
_____%

2 WITNESSES

Signature: _____
Print Name: _____

Signature: _____
Print Name: _____

WITNESS AND ACKNOWLEDGEMENT

State/Commonwealth of _____

County of _____

On this ____ day of _____, 201___, before me, the undersigned Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence, to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

_____
Notary Public
Print Name: _____
My commission expires: _____

[SEAL]

Exhibit "B"

MARKET VALUE ESTIMATE
Summary Appraisal of Real Estate

604 Legion Drive
Las Vegas, New Mexico 87701

Exclusions
Equipment and Personal Property

Prepared for

City of Las Vegas Fire Department
604 Legion Drive
Las Vegas, NM 87701

Effective Date of Appraisal –as of February 19, 2018

Prepared by
NorthEastern Land Appraisals
Roland Medrano, Real Estate Appraiser

February 28, 2018

City of Las Vegas Fire Department
Attn: Fire Chief Billy Montoya
604 Legion Drive
Las Vegas, NM 87701

RE: Valuation Analysis Report
604 Legion Drive – Alltel Tower Property (Land)
Las Vegas, New Mexico 87701

Dear Mr. Billy Montoya:

An appraisal of the property referenced above was completed and findings are submitted in this report.

The appraisal was made for the purpose of expressing an opinion of the market value of the Fee Simple Interest in the property, as of February 19, 2018 assuming it to be for sale in the open market.

Fee Simple Interest is defined as an absolute fee, free of limitations to any particular class of heirs or restrictions but subject to limitations of eminent domain, escheat, police power, and taxation.

The appraisal assumes the following in the appraisal and final value estimate. Consultation with the appropriate professional experts is recommended to confirm these assumptions.

That there are no detrimental site conditions or survey plat matters that would impair the value or marketability.

That there are no unusual title conditions or requirements to clear title that would impair the value or marketability.

No building inspection report was available for review and the appraisal assumes there are no detrimental physical conditions to be impacting value or marketability other than typical forms of deferred maintenance.

No environmental assessment report was available for review and the appraisal assumes there are no significant forms of contamination or environmental issues on or near the appraised property that would be detrimental to value or marketability.

The property was personally inspected, and the following factors were considered in forming an opinion of value.

- Location, size and utility of land.
- Size, condition and utility of the improvements compared with few facilities.
- Highest and best use of the land and total property.

The report consists of this letter summarizing the investigation and stating the conclusion, a discussion of the valuation procedure, market data comments, and certification letter and exhibits consisting of:
(a) area maps, (b) subject sketch, (c) subject photographs, (d) plat, and (e) statement of conditions.

Based on this appraisal, the market value of the appraised property as of February 19, 2018 may be stated as follows.

As is
Market Value Estimate of Real Estate Only:
$14,000

With Regards,
NorthEastern Land Appraisals

Roland Medrano
Valuation Analyst

EXECUTIVE SUMMARY OF SALIENT FACTS

TYPE OF PROPERTY: Non-residential commercial located at 604 Legion Drive, Las Vegas, NM.
The subject property is a Cellular Communication Tower and Equipment improvement. Improvements were not included in the valuation analysis. The site has access to all utilities (water, sewer, sanitation & electricity) along with limited off street parking. The subject property is zoned as C-3, General Commercial District.

LOCATION	604 Legion Drive, Las Vegas, New Mexico (north side district area of the City of Las Vegas)
PROPERTY RIGHTS APPRAISED	Based upon the undivided fee simple estate. The subject property consists of the site only.
EFFECTIVE DATE OF APPRAISALS	February 19, 2018
EFFECTIVE DATE OF SIGNATURE	February 28, 2018 final report writing
PURPOSE OF APPRAISAL	To Estimate Market Value of real estate per appraisal instructions provided by City of Las Vegas Fire Department
LEGAL DESCRIPTION	Lot 6, Block, 1, Section 2 of Mountain View Addition
SITE AREA	1,995 square feet. Total Acreage 0.046
ZONING	C-3, General Commercial District
IMPROVEMENT	Alltel Cellular Communications Tower Perimeter Fencing and Alltel Equipment
LAND to BUILDING RATIO	5/4
HIGHEST AND BEST USE	As if vacant – Commercial As if improved –Commercial
COST APPROACH	$ -0-
INCOME APPROACH	$ -0-
SALES COMPARISON APPROACH	$ 14,000

As is
Final Market Value Estimate of Real Estate Only: $14,000
604 Legion Drive
Las Vegas, New Mexico

Appraiser: Roland Medrano

ANALYSIS AND REPORTING PARAMETERS

Purpose of the Appraisal

The purpose of this appraisal is to estimate the market value of the:

604 Legion Drive (Alltel Lease Property)
Las Vegas, New México 87701

Intended User of the Appraisal

This appraisal is intended for the exclusive use of City of Las Vegas Fire Department or reliance upon, by others is not anticipated by the appraiser. While this appraisal is complete and in a reporting format summary, it was prepared to answer specific questions for the client and may not fully address issues related to other purposes.

Intended Use of the Appraisal

It is my understanding that the city of Las Vegas Fire Department will use this appraisal as a basis for lease purpose.

Condition of Title

This appraisal assumes that there are no unusual conditions or encumbrances and no unusual requirements to clear title, which would impair marketability or value. A copy of the title insurance policies was not provided to the appraiser.

Regular

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 04-04-18 **DEPT: Community Development** **MEETING DATE: 04-18-18**

ITEM/TOPIC:
Approval or disapproval of ordinance 18-02 amending Lodgers Tax increase from 4% to 5%.

ACTION REQUESTED OF COUNCIL:
Conduct a public hearing and Approval or disapproval of ordinance 18-02 amending Lodgers Tax increase from 4% to 5%.

BACKGROUND/RATIONALE:
The City of Las Vegas Lodgers Tax Advisory Board is regulated by NMSA Lodgers Tax Act 3-38-13 - 3-38-24, NMSA 6-6-4. 1, and by City of Las Vegas Ordinance Chapter 389 - 1 to 389 - 18. City council is charged with administering the funds and the board is to make recommendations for the expenditure of funds authorized pursuant to this article for advertising, publicizing and promoting tourist-related attractions, facilities and events in the City.

STAFF RECOMMENDATION:
Consideration by Mayor and Council to publicize the ordinance of 18-02 for the 1% increase of which proceeds will be solely used for tourism-related infrastructure.

COMMITTEE RECOMMENDATION:

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY MANAGER'S OFFICE NO LATER THAN 5:00 P.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:

TONITA GURULÉ-GIRÓN
MAYOR

TANA VEGA
INTERIM FINANCE DIRECTOR
(PROCUREMENT)

ANN MARIE GALLEGOS
INTERIM CITY MANAGER

CITY ATTORNEY
(ALL CONTRACTS, ORDINANCES AND RESOLUTIONS MUST BE REVIEWED)

Approved to form 1/3/18

CITY OF LAS VEGAS
CITY COUNCIL
ORDINANCE NO. 18-02

AN ORDINANCE AMENDING LODGERS TAX ORDINANCE, MUNICIPAL CODE § 389-4 TO INCREASE THE TAX IMPOSED FROM 4 PERCENT TO 5 PERCENT AND MAKE CERTAIN TYPOGRAPHICAL AND GRAMMATICAL CORRECTIONS; ADOPTING A NEW SUBSECTION 389-15(B) MUNICIPAL CODE, TO REQUIRE THAT ⅙ OF ALL TAXES COLLECTED UNDER THE CODE BE USED TO DEFRAY THE COSTS OF TOURIST-RELATED INFRASTRUCTURE; AND REDESIGNATING FORMER SUBSECTION 389-15(B) AS 389-15(C).

WHEREAS, the City of Las Vegas imposed an occupancy tax of gross taxable rent for lodging paid to vendors within the City; and,

WHEREAS, the City of Lodgers Tax board recommends an increase the Lodger's Tax, from 4% to 5%; and,

WHEREAS, the 1% increase of the proceeds shall be used solely for tourism-related infrastructure; and,

WHEREAS, the increase will improve and assist with the City of Las Vegas' economic development.

NOW THEREFORE,

Be it ordained that Lodger's Tax Ordinance is amended by the Governing Body of the City of Las Vegas, to include the following,

§ 389-4 Imposition of tax.

There is hereby imposed an occupancy tax of 5% of gross taxable rent for lodging paid to vendors within the City.

§ 389-15 Use of monies.

A.

The City shall use 1/2 of the proceeds of the first 3% of the tax and not less than 1/4 of the proceeds from the tax in excess of 3% only for advertising, publicizing and

promoting tourist-related attractions, facilities and events. The proceeds from this portion of the tax shall be used within two years of the close of the fiscal year in which they were collected and shall not be accumulated beyond that date or used for any other purpose.

B.

The City shall use no less than ⅛ of all monies collected to defray the costs of establishing, operating, purchasing, constructing, otherwise acquiring, reconstructing, extending, improving, equiping, furnishing or acquiring real property or any interest in real property for the site or grounds for facilities and attractions or transportation systems specifically tourist-related of the municipality, or county in which the municipality is located.

C.

The City may use the balance of the proceeds of the tax to defray the cost of:

(1)

Collecting and otherwise administering the tax, including the performance of audits required by the Lodgers' Tax Act and this article, pursuant to guidelines issued by the Department of Finance and Administration of the State of New Mexico.

(2)

Establishing, operating, purchasing, constructing, otherwise acquiring, reconstructing, extending, improving, equipping, furnishing or acquiring real property or any interest in real property for the site or grounds for tourist-related facilities, attraction or transportation systems of the City.

(3)

The principal of and interest on any prior redemption premiums due in connection with and any other charges pertaining to revenue bonds authorized by NMSA 1978, § 3-38-23 or 3-38-24.

(4)

Advertising, publicizing and promoting tourist-related attractions, facilities and events of the City and tourist facilities or attractions within the area.

(5)

Providing police and fire protection and sanitation service for tourist-related events, facilities and attraction located in the City; or

(6)

Any combination of the foregoing purposes or transactions stated in the section.

PASSED, APPROVED, AND ADOPTED THIS DAY _____ OF _____ 2018.

ATTEST

_____ _____

Casandra Fresquez, City Clerk TONITA GURULÉ-GIRÓN, MAYOR

REVIEWED AND APPROVED AS TO LEGAL SUFFICIENCY ONLY:

_____

City Legal Representative

Regular or Special
CITY COUNCIL MEETING AGENDA REQUEST

DATE: 4/6/18 **DEPT: City Clerk** **MEETING DATE: 4/18/18**

ITEM/TOPIC: Conduct a public hearing for the application of a Restaurant Beer and Wine License with on Premise Consumption only with patio service for B3 BBQ, Burgers and Beer.

ACTION REQUESTED OF COUNCIL: Conduct a Public Hearing and Approval/Disapproval of application requesting a Restaurant Beer and Wine License with on Premise Consumption only with patio service submitted by 5th Grade Enterprises LLC, DBA B3-BBQ, Burgers & Beer, located at 131 Bridge Street, Las Vegas, NM 87701, Application No. 1081092.

BACKGROUND/RATIONALE: The Director of the Alcohol and Gaming Division has reviewed the referenced application and granted preliminary approval. It has been forwarded to our Governing Body for consideration of the liquor license application.

STAFF RECOMMENDATION:

COMMITTEE RECOMMENDATION:

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY CLERK'S OFFICE NO LATER THAN 5:00 P.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:

TONITA GURULÉ-GIRÓN
MAYOR

TANA VEGA
INTERIM FINANCE DIRECTOR
(PROCUREMENT)

ANN MARIE GALLEGOS
INTERIM CITY MANAGER

CITY ATTORNEY
(ALL CONTRACTS, ORDINANCES AND RESOLUTIONS MUST BE REVIEWED)

Revised 1/3/18

CITY OF LAS VEGAS

1700 N. GRAND AVE. LAS VEGAS, NEW MEXICO 87701
505-454-1401 FAX: 505-425-7335

Mayor Tonita Gurule-Giron

MEMORANDUM

TO: Renee Garcia, Community Development Director

FROM: Casandra Fresquez, City Clerk

DATE: April 3, 2018

RE: Application for a Beer and Wine Liquor License with on premises consumption only with Patio Service

Enclosed is a copy of the application for an Application for a Beer and Wine Liquor License with on premises consumption only with patio service submitted by 5th Grade Enterprises, LLC., DBA B3-BBQ, Burgers & Beer, 131 Bridge Street, Las Vegas, New Mexico, Application No. 1081092.

This information is being submitted to your office for review and to verify that the information contained in page 2 of the application is correct and in compliance with the distance requirements to the nearest church, school and military installation as mandated in the New Mexico State Statutes. Further, I would like to ensure that the area is zoned to allow such an establishment. Please submit to this office written confirmation as to whether or not the location proposed for use of the license meets those requirements.

By copy of this memorandum, I am also notifying Interim Police Chief Christopher Lopez of this application for his input, if any.

The Las Vegas City Council will hold a public hearing regarding the above application on April 18, 2018 at 6:00 p.m. and will require the information prior to the meeting.

Should you have any questions, please do not hesitate to contact me. Thank you in advance for your assistance.

Enclosures:
xc: Maria Perea, CAD Technician
Ann Marie Gallegos, Interim City Manager
Danelle Smith, City Attorney
Christopher Lopez, Interim Chief of Police

New Mexico Regulation and Licensing Department
ALCOHOL AND GAMING DIVISION
P.O. Box 25101 ▪ Santa Fe, New Mexico 87504-5101
(505) 476-4875 ▪ Fax (505) 476-4595 ▪ www.rld.state.nm.us/alcoholandgaming

March 12, 2018

Certified Mail No.: 9171 9690 0935 0155 1931 04

RECEIVED
MAR 16
City Clerks
By:

City of Las Vegas
Cassandra Fresquez, Clerk
1700 N. Grand Avenue
Las Vegas, NM 87701

Re: Lic. No. /Appl. No.: **Application No. 1081092**
Name of Applicant: 5th Grade Enterprises, LLC
Doing Business As: B3-BBQ, Burgers & Beer
Proposed Location: 131 Bridge Street, Las Vegas, New Mexico 87701

Greetings:

The Director of the Alcohol and Gaming Division has reviewed the referenced Application and granted **Conditional Preliminary Approval.** It is being forwarded to you for Local Option District approval or disapproval of the Liquor License Application.

While the law states that "within forty-five (45) days after receipt of a Notice from the Alcohol and Gaming Division, the governing body shall hold a Public Hearing in the question of whether the department should approve the proposed issuance or transfer", we recognize the potential for conflict between the requirement for publication of 30 day notice and the 45 day hearing requirement. Should the Local Governing Body be unable to meet one of these requirements, please send a Request for Waiver/Extension by email to the assigned AGD Hearing Officer listed on page 2.

Notice of the Public Hearing required by the Liquor Control Act **shall be given by the governing body by publishing a notice** of the date, time, and place of the hearing **twice during the 30 days prior to the hearing** in a newspaper of general circulation within the territorial limits of the governing body. **The first notice must be published at least thirty (30) days before the hearing. Both publications must occur before a hearing can be conducted.** The notice shall include:

(A) Name and address of the Applicant/Licensee;
(B) The action proposed to be taken by the Alcohol & Gaming Division;
(C) The location of the licensed premises.

In addition, if the Local Option District has a website, **the Notice shall also be published on the website.**

The governing body is required to send notice by certified mail to the Applicant of the date, time, and place of the Public Hearing. The governing body may designate a Hearing Officer to conduct the hearing. **A record shall be made** of the hearing.

THE APPLICANT IS SEEKING A RESTAURANT BEER AND WINE LIQUOR LICENSE WITH ON PREMISES CONSUMPTION ONLY WITH PATIO SERVICE. APPLICANT IS REQUESTING A WAIVER FROM THE CITY OF LAS VEGAS AS THE PREMISES IS WITHIN 300 FEET DISTANCE FROM A SCHOOL.

Alcohol and Gaming Division
(505) 476-4875

Boards and Commissions Division
(505) 476-4600

Construction Industries Division
(505) 476-4700

Financial Institutions Division
(505) 476-4885

Manufactured Housing Division
(505) 476-4770

Securities Division
(505) 476-4580

Administrative Services Division
(505) 476-4800

Within thirty (30) days after the Public Hearing, the governing body shall notify the Alcohol and Gaming Division of their decision to approve or disapprove the issuance or transfer of the license by signing the enclosed original Page 1 of the Application. The original Page 1 of the Application must be returned together with the notices of publication. **If the Governing Body fails to either approve or disapprove the issuance or transfer of the license within thirty days after the Public Hearing, the Director may issue the license.**

If the Governing Body disapproves the issuance or transfer of the license, it shall notify the Alcohol and Gaming Division within thirty (30) days setting forth the reasons for the disapproval. A copy of the Minutes of the Public Hearing shall be submitted to the Alcohol and Gaming Division with the Notice of Disapproval (*Page 1 of the Application, noting disapproval*).

Respectfully,

Charmaine Martinez, Hearing Officer
New Mexico Regulation & Licensing Dept. | Alcohol & Gaming Division
Phone: (505) 476-4804 Fax: (505) 476-4595
Email: charmaine.martinez2@state.nm.us

Enclosures:

1. Original Page 1 of the Application (*must be signed and returned w/notices of publication*)
2. Copy of Page 2 of the Application
3. Copy of Zoning Statement

New Mexico Regulation and Licensing Department | Alcohol and Gaming Division
PO Box 25101 Santa Fe, NM 87504-5101 | Phone: (505) 476-4875 Fax: (505) 476-4595

 Revised 5/16

RECEIVED
JAN 19 2018
2042896
ALCOHOL & GAMING DIVISION

AGD USE ONLY: Payment| Application Fee $ 200 Received on: 1-19-18 Receipt No. _____
License Fee $ _____ Received on: _____ Receipt No. _____
Application # 1081092 Local Option District: _____

RESTAURANT LIQUOR LICENSE APPLICATION

$200.00 Application Fee, non-refundable.

Check appropriate boxes: **Application is for:** ☐ New Restaurant Liquor License

Applicant is: ☐ Individual ☑ Limited Liability Company ☐ Corporation ☐ Partnership (General/Limited)

NAME OF APPLICANT (company or individual) **ADDRESS** (including city, state, zip) **TELEPHONE NUMBER**

5th Grade Enterprises, LLC

D/B/A Name to be used: B3- BBQ, Burgers & Beer **Business Phone #:** (505) 425-2975

Email Address (required): jcnypdlv@gmail.com

Physical location where license is to be used: (Include street number / highway number / state road, city and county, state, and zip code)
131 Bridge St /State Rt 65/ Las Vegas/ San Miguel County/ NM 87701

Mailing Address: 209 Plaza St Las Vegas, NM 87701

Agent/Contact Person: Joaquin Garofalo **Phone#:** (505) 425-2975 **Email:** jgarofalo@hotmail.com

Are alcoholic beverages currently being dispensed at the proposed location? ☑ **Yes** ☐ **No** If Yes, License # / Type: 31290 Tax Hold 1/24/18

I, (print name) Joaquin Garofalo, as (title) Owner
being first duly sworn upon oath deposes and says: that he/she is the applicant or is authorized by the applicant to make this application; that he/she has read the same; knows the contents therein contained are true. Applicant(s) agree(s) that if any statements or representations herein are found to be false, the Director may refuse to issue or renew the license or may cause the license to be revoked at any time.

You must sign and date this form before a Notary Public.

Signature of Applicant: _____ Date: 12/7/17

NOTARY PUBLIC USE ONLY: (State of New Mexico, County of San Miguel)
SUBSCRIBED AND SWORN TO before me this 7th day of December, 20 2017
By: Joaquin Garofalo Notary Public: Melissa M Jesse SEAL
My Commission Expires: August 27, 2018

FOR LOCAL OPTION DISTRICT USE ONLY: Local Governing Body of: _____ City, County, Village

Public Hearing held on _____, 20_____. Check one: ☐ Approved ☐ Disapproved

Signature and Title of City/County Official: _____

FOR ALCOHOL AND GAMING DIVISION USE ONLY: ☐ Approved ☐ Disapproved

Signed by Director: _____ Date: _____

PREMISES LOCATION, OWNERSHIP, AND DESCRIPTION

NMSA §60-6B-10

1. The land and building which is proposed to be the licensed premises is: (check one)

☐ Owned by Applicant, copy of deed/document attached ■ Leased by Applicant, copy of lease/document attached

☐ Other (provide details): _____

2. If the land and building are not owned by Applicant, indicate the following:

A. Owner(s): **Via Fume Limited Company, LLC**

B. Date and Term of Lease: **October 1, 2016, 5 years** (2-5yr Option to Renew)

3. Premises location is Zoned (*example C-1, see Zoning Statement*): **C-2/CH**,

☐ **Zoning Statement attached**, which must be obtained from the Local Government, listing the proposed location by address, Type of Zone, state whether alcoholic beverages are allowed at proposed location, and if applicable, whether packaged sales, patio service and/or manufacturing is allowable. If there is no zoning in the proposed location, attach Statement from the local government, indicating there is no zoning.

4. Distance* from nearest Church: (*Property line of church to closest point of licensed premises—shortest distance*)

Name of Church: *Our Lady of Sorrows* Miles/feet: *.2 miles*

Address/location of Church: *403 Valencia St, Las Vegas, NM 87701*

5. Distance* from nearest School: (*Property line of school to closest point of licensed premises—shortest distance*)

Name of School *West Las Vegas High School* Miles/feet *60 feet*

Address/location of School: *179 Bridge Street, Las Vegas, NM 87701*

6. Distance from military installation *(*Property line of military installation to closest point of licensed premises-shortest distance.*)

Name of Military Installation, *circle one:* Kirtland Air Force Base (Albuquerque), White Sands Missile Range (Las Cruces), Holloman Air Force Base (Alamogordo), Cannon Air Force Base (Clovis)

Miles: **129 Miles**

7. Attach Detailed Floor Plan, must include the Total Square Footage of premises; List nearest cross street; Show which direction is North; Show each level (floor) where alcoholic beverages will be sold or consumed, exterior walls, doors, and interior walls; Patio Area with type of barrier used; Highlight Bonded Areas. The floor plan should be no larger than 8½ x 11 inches and **must be labeled** with designated areas highlighted, which will reflect the proposed Licensed Premises.

8. Type of Operation: ☐ Hotel ☐ Lounge ☐ Package Grocery ■ Restaurant ☐ Racetrack

☐ Small Brewer ☐ Craft Distiller ☐ Winery ☐ Wholesaler

☐ Other (specify): _____

***NOTE:** If the distance is beyond 300 feet, but less than 400 feet, a Registered Engineer or Licensed Surveyor must complete a Survey Certificate showing the exact distance.

OLD TRAILS. NEW ADVENTURES.

CITY OF LAS VEGAS
1700 NORTH GRAND AVE.
LAS VEGAS, NM 87701

T 505.454.1401
F 505.425.7335
LASVEGASNM.GOV
VISITLASVEGASNM.COM

RECEIVED
JAN 19 2018
ALCOHOL & GAMING DIVISION

November 30, 2017

Joaquin Garofalo
131 Bridge Street
Las Vegas, NM 87701

RE: STATEMENT OF ZONING CERTIFICATION

To Whom It May Concern:

This statement certifies that the premises located at 131 Bridge Street, Las Vegas, New Mexico 87701 are located within a C-2 (Central Business District) with a CH (Cultural Historic Overlay).

As per the City's Zoning Code, §450-125. C-2 (Central Business District). B, (3) this zone is intended for eating and drinking places, including bars, restaurants and cocktail lounges.

A copy of the zoning map and a portion of City Code §450-125 . C-2 (Central Business District) and the Cultural Historic Overlay are attached for your information.

If you have any questions or require further information, please feel free to contact me at (505) 426-3279.

Sincerely,

Maria D. Perea
Planning & Zoning Coordinator

CITY OF LAS VEGAS NEW MEXICO

City Clerk's Office

NOTICE OF PUBLIC HEARING

Notice is hereby given that the City Council of the City of Las Vegas, New Mexico will conduct a public hearing on Wednesday April 18, 2018 at 6:00 p.m. in the City Chambers, 1700 N. Grand Avenue. The City Council will hear any and all protests and determine whether to approve or disapprove an application for a Beer and Wine Liquor License with on premises consumption with patio service of Application No. 1081092 submitted by 5th Grade Enterprises, LLC., DBA B3-BBQ, Burgers & Beer, 131 Bridge Street, Las Vegas, New Mexico 87701. The hearing is open to the public. Protests and/or comments may be filed with the City Clerk, 1700 N. Grand Avenue, prior to the hearing.

_____

Casandra Fresquez, City Clerk

Publish: Las Vegas Daily Optic Wednesday March 21, 2018 and Wednesday April 4, 2018

CITY OF
LAS VEGAS
NEW MEXICO

MEMORANDUM

TO: Casandra Fresquez, City Clerk

FROM: Maria D. Perea, P&Z Coordinator

DATE: April 9, 2018

SUBJECT: Application for a Beer and Wine Liquor License with on Premise Consumption with Patio Service

Please be advised that we have reviewed the request submitted by 5th Grade Enterprises, LLC., DBA B-3 BBQ, Burgers & Beer, 131 Bridge Street, Las Vegas, New Mexico for a Beer and Wine Liquor License with on Premise Consumption with Patio Service. Our findings are as follows:

- The property known as 131 Bridge Street is zoned as a C-2 (Central Business District) with a CH (Cultural Historic Overlay), and as per §450-125. C-2 Central Business District. B. (3) Eating and drinking places, including bars, drive-in restaurants and cocktail lounges are permitted uses. The proposed activity is a permitted use in this zone.

- Our Lady of Sorrows Church located at 403 Valencia Street, is the nearest church to the proposed location and is approximately one thousand four hundred and four feet (1,404') from 131 Bridge Street.

- West Las Vegas High School located at 157 Moreno Street, is the nearest school to the proposed location and is approximately four hundred fifty three feet (453') from 131 Bridge Street.

- The nearest military installation is Kirtland Air force Base, Albuquerque, NM and is approximately one hundred twenty seven (127) miles from 131 Bridge Street.

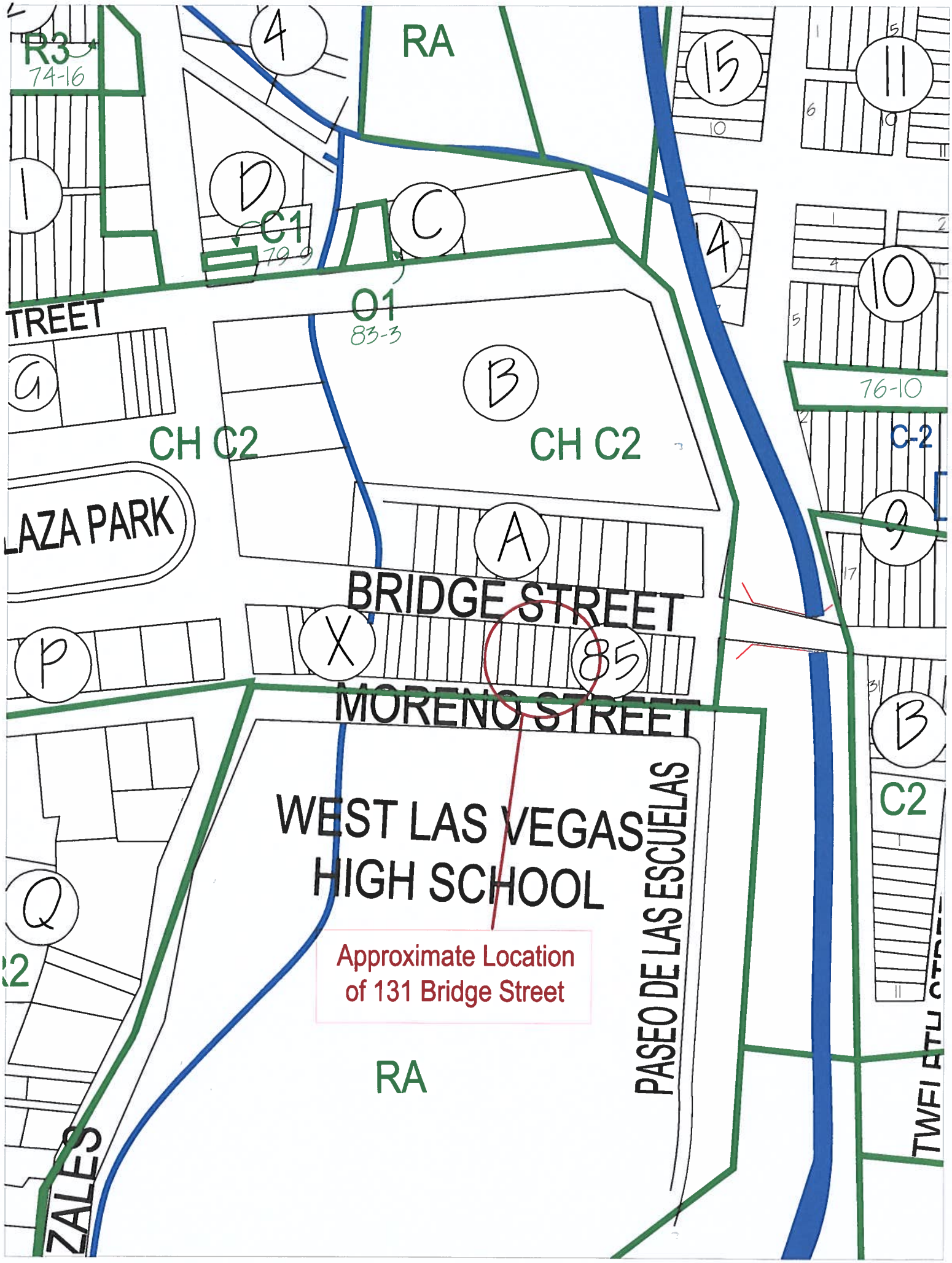
I have attached a portion of the Zoning Map with the approximate location of 131 Bridge Street highlighted and an aerial map of the area showing the locations noted above.

If you have any questions, please contact me at Ext. 3279.

Attachments: 2

XC: Anne Marie Gallegos, Interim City Manager
Research File

1. Our Lady of Sorrows Church, 403 Valencia Street, Las Vegas, NM 87701 - - App. 1,404.77 feet from 131 Bridge Street.
2. West Las Vegas High School, 157 Moreno Street, Las Vegas, NM 87701 - - App. 452.59 feet from 131 Bridge Street.
3. Kirtland Air Force Base, Albuquerque, NM - - App. 127.4 miles from 131 Bridge Street.


R3
74-16
RA
C1
79-9
O1
83-3
TREET
CH C2
CH C2
LAZA PARK
BRIDGE STREET
MORENO STREET
WEST LAS VEGAS
HIGH SCHOOL
Approximate Location
of 131 Bridge Street
RA
PASEO DE LAS ESCUELAS
76-10
C-2
C2
ZALES

CITY COUNCIL MEETING AGENDA REQUEST

DATE: 04/10/18 **DEPT: Finance** **MEETING DATE: 04/18/18**

ITEM/TOPIC:. 2018, 2019, 2020 Audit Proposal

ACTION REQUESTED OF COUNCIL: Approval/Disapproval to award RFP 2018-21, for the 2018, 2019, 2020 Annual Audit Services and enter into contract with Axiom CPAs and Business Advisors, LLC.

BACKGROUND/RATIONALE: The City of Las Vegas requested audit proposals for the 2018, 2019 and 2020 Audits. We are requesting review and final approval by Mayor and Council.

STAFF RECOMMENDATION: Approval

COMMITTEE RECOMMENDATION:

THIS REQUEST FORM MUST BE SUBMITTED TO THE CITY CLERK'S OFFICE NO LATER THAN 5:00 P.M. ON FRIDAY ONE AND A HALF WEEKS PRIOR TO THE CITY COUNCIL MEETING.

SUBMITTER'S SIGNATURE

REVIEWED AND APPROVED BY:

TONITA GURULE-GIRON
MAYOR

TANA VEGA
INTERIM FINANCE DIRECTOR
(PROCUREMENT)

ANN M. GALLEGOS
INTERIM CITY MANAGER

PURCHASING AGENT
(FOR BID/RFP AWARD)

CITY ATTORNEY
(ALL CONTRACTS MUST BE REVIEWED)

Proposal Evaluation Form Part One

Name of Agency CITY OF LAS VEGAS

Agency Contact Tana Vega

Phone# (505)426-3241

Audit Firm Name

Date Completed April 13, 2018

Evaluation Criteria	Axiom Points	CRI Points	Hinkle Points
Section I. Capability of Firm			
A) The firm has the sources to perform the type and size of audit required. #of firm members Total audit hours available	12	9	5
B) External Quality Control Review (Peer Review)			
1. Peer review results: Obtain most recent copy of the external quality control review report including letters of comments	24	15	30
2. Opinion received Unqualified 10 Qualified 5	17	15	10
If report is less than modified (adverse) STOP HERE. FIRM DOES NOT QUALIFY.			
3. Results of reference checks and agency's prior experience with firm (check should include timelines, planning technical expertise, etc.)			
C) Organization and completeness of proposal or bid for audit services.	15	10	8
Section I Total	**68**	**49**	**53**
Section II. Work Requirement & Audit Approach			
A) Auditor knowledge of agency needs and product to be delivered.	15	15	15
B) Proposal or bid contains a sound technical plan and realistic estimate of time to complete the audit	14	15	9
C) Plans for using agency staff, including internal auditors	9	9	3
D) If the proposal or bid is for a multi-year contract, approach	6	6	6
Section II Total	**44**	**45**	**33**
Section III. Technical Experience			
A) Government audit experience of audit firm Name of on-site manager	45	45	30
B) Audit Team Experience			
I. Specialization in your type of government (e.g., state agencies, schools, hospitals, counties, cities, etc.), including component units (housing authorities, charter schools, foundations)	42	45	21
C) Attendance at continuing professional seminars or meetings on auditing, accounting and regulations directly related to state and local government audits and the agency	15	12	15
Section III Total	**102**	**102**	**66**
Section IV. Firm Strengths or Weaknesses	9	9	9
Specify			
Section IV Total	**9**	**9**	**9**
TOTAL ALL SECTIONS	**223**	**205**	**161**

Cost is to be evaluated ONLY upon completion of Part One of this two-part evaluation Form. Evaluate cost separately for the top THREE Choices ONLY from Part One Add Parts One and Two in making your FINAL recommendation.

EVALUATION OF AUDITEES

	Points	Points	Points
Note: For multi-year proposal add the total of each year together to arrive at one total for the years' feeis$5000thecombined total is $15.000 which would be used in the calculation below)	29	19	28
Complete the Calculation			
Insert the lowest cost proposal (from all proposals received) and divide it by The cost of the proposal the agency is recommending X10			

SCORE			
Score Part One: Bring forward score from pert one of Evaluation Form	223	205	161
FINAL SCORE	**252**	**224**	**189**

Proposal to Serve

City of Las Vegas

2018, 2019, 2020 Annual Audit Services
Opening No. 2018-21

April 13, 2018

Axiom CPAs and Business Advisors LLC
Jaime Rumbaoa, CPA, CITP, CISA, CFE – Partner
316 Osuna Rd NE, Suite 401
Albuquerque, NM 87107
Office: (505) 767-7600

AXIOM
Certified Public Accountants
& Business Advisors LLC

Copy

Table of Contents

A IOM
Certified Public Accountants
and Business Advisors LLC

www.axiomnm.com
Sun Valley Commercial Center
316 Osuna Rd. NE, Suite 401
Albuquerque, NM 87107
T 505-767-7600 F 505-767-7601

April 13, 2018

City of Las Vegas
Attn: City Clerk
1700 N. Grand Ave.
Las Vegas, NM 87701

It is with great pleasure that we submit this proposal to you for the audit of the City of Las Vegas (the City). Our team has extensive experience in auditing state and local governments. Such experience provides us with a wide breadth of knowledge in providing audit services, which include the annual evaluation (and re-evaluation) of identified risks of the City, development of an audit plan and execution of that plan throughout each year. Axiom has a complete understanding of the work to be done. We are dedicated to completing your audit in an efficient and effective manner to ensure it is submitted before the New Mexico Office of the State Auditor deadline.

About Axiom: Axiom Certified Public Accountants and Business Advisors LLC (Axiom), a limited liability corporation whose office is located in Albuquerque, has twenty six employees including four Partners. The four Partners of Axiom have more than 75 years of combined accounting experience. Axiom is a full service, New Mexico-owned, Certified Public Accounting firm authorized to practice within the state of New Mexico. We perform a variety of accounting and business advisory services and pride ourselves on our reputation for integrity, quality, reliability, and always providing premier client service. Our audit team's experience, expertise, and training is "all encompassing". With this, Axiom believes itself to be the best qualified to perform the engagement of the City.

Jaime Rumbaoa, CPA, CITP, CISA, CFE, Axiom Managing Partner of Assurance, is authorized to sign this proposal, negotiate and enter into a contract on the behalf of Axiom with the City to perform the requested audit services. Mr. Rumbaoa is the principal contact for any clarification needed. Address: 316 Osuna Rd NE, Suite 401, Albuquerque, NM 87107, Phone (505) 767-7600, Fax (505) 767-7601, email: jaime.rumbaoa@axiomnm.com.

Axiom Certified Public Accountants and Business Advisors LLC accepts the conditions governing the procurement, accepts all terms and conditions of the standard audit contract, and acknowledges receipt of any and all addendums set forth in this request for proposal 2018, 2019, 2020 Annual Audit Services issued on March 28, 2018.

You will be an exceptionally important client to us. We are committed and have the adequate resources available to provide you with the highest level of client service and attention.

Sincerely,

Jaime Rumbaoa, CPA, CITP, CISA, CFE
Partner

Why Axiom is the Best Fit for the City of Las Vegas

It is imperative that an audit be completed correctly and submitted timely to provide the best operational benefit to the City of Las Vegas (the City). We commit several resources throughout the year to train our staff to be up-to-date on governmental, accounting, federal grant requirements, and auditing standards which enables Axiom to complete an audit effectively while providing the maximum benefit to the City and in sufficient time to submit the audit report prior to the New Mexico State Auditor deadline.

Our communications will include:

- Axiom providing implementation guidance on new accounting pronouncements
- Axiom providing guidance on maintaining or achieving adequate segregation of duties to ensure sound controls
- Axiom discussing with management any key events or changes in operations
- Axiom being available for questions year round without additional cost to the City.

What Distinguishes Us as a Unique and Well Qualified Firm?

A People's Business: An audit is truly a business relationship where the "people factor" is crucial and communication and collaboration can make a difference in the process and final outcome of an audit. An important aspect of our role as your independent public accountant is how (and how often) we collaborate and communicate with your team. As stated earlier, our approach is not limited to opening lines of communication when the audit starts and then ceasing communications once the audit report is issued, but rather to keep an open line of communication with your team to understand events that occur during the year and to be available as a viable resource to you and your staff. This will enable us to better understand your organization and to provide the highest quality audit possible.

GFOA Certificate of Achievement for Excellence in Financial Reporting Program: Our team assisted with the preparation of the CAFR for several governments that have received the Certificate of Achievement for Excellence in Financial Reporting. Jaime Rumbaoa, Partner, has assisted over five different governments that have received the award over forty times over the past ten years.

Emphasis on IT General Controls: We are one of the very few accounting firms that emphasize review of IT general controls. This includes review of the City's networks, financial applications and other relevant systems. Our partner is also an IT specialist and has reviewed accounting systems and ERP systems (Banner, Oracle, MS Govern, SAP, Tyler Incode and Munis) for municipalities, counties, schools, not-for-profit, commercial, and governmental entities for over 12 years.

Unique Perspective on Fraud: We go beyond the procedures required by auditing standards to identify risks. For instance, we understand controls over wire transfers, analysis of vendors, Benford's analysis and others.

We Deliver: You will not be waiting on us. We move directly from fieldwork to completing the report in a timely manner. It is our goal to perform the audit under a "lights out" approach that is within the required timeframe of the City. This approach involves all work performed and reviewed in the field to improve effectiveness, timing, and communication. This is possible as the Partner in charge of your audit will be in the field on a regular basis.

Client Service and Teamwork: We pride ourselves in providing superior client service. We will be attentive to your every need and will do everything we can to keep you informed on the issues and areas that are of particular importance to you. Completion of value added, efficient and effective audits requires a high degree of teamwork with all individuals of the City and with Axiom. We pride ourselves on this teamwork approach. We will communicate with you regularly about the trends affecting your industry and, when needed, will provide you with in-depth analysis and commentary.

Ease of Working with Us: Is an audit fun? No. Yet, client after client will attest to our ability to address issues in a consultative and helpful manner. Our approach is productive, efficient, and not combative. If we identify issues, we will communicate them early and work with you to get them resolved rather than wait until the end of the audit period when the issue has the potential to become a crisis.

Audit Findings and Status Reports: As noted earlier, we believe that an audit is truly a team effort. Once secured as your auditors, we will schedule a meeting with you to review all audit findings identified in the prior year and will provide guidance on the substance of the finding, guidance on different methods of resolving the identified issue and will be there throughout management's decision process with regard to those findings. All financial statement findings and findings in relation to federal expenditures each have a high degree of significance and impact to the organization. As such, it will be our goal to work with you at resolving those prior year findings as effectively and efficiently as possible. Such an effort will occur throughout the year rather than just during the audit period.

During the current year audit, we will provide constant feedback on possible findings as they are identified so you may research them and clear up any misunderstandings. Status meetings will be held at least weekly, at the end of the audit and at midterm, or more frequently if desired. We will meet with the audit committee, Chief Financial Officer, accounting personnel and/or anyone that you deem necessary. We want to ensure that we have considered all information and have your input before finalizing any findings.

Our team has extensive experience auditing state and local governments.

Summary: You will be an exceptionally important client to us. We are committed and have the resources available to provide you with the highest level of client service and attention throughout the year as your auditor.

Response to Mandatory Specifications

Offeror Experience

Axiom is a Certified Public Accounting firm founded in 2012. The firm has twenty six employees including four Partners. Ten of the twenty six staff specifically focus on governmental auditing throughout the year. Axiom is a locally owned firm centrally located in Albuquerque, New Mexico. Axiom is on the New Mexico Office of the State Auditor's approved list to perform governmental audits.

Professional Staff: Axiom has over 4,000 hours available to commit to this audit. We anticipate that your audit will require approximately 700 hours. We anticipate a total of five staff will be required to complete the audit of the City. The five staff will include the Partner, one Senior Manager, one Supervisor and two seniors/staff. All personnel assigned to your audit are expected to work full time on your audit with the exception of the Partner. The Audit Partner responsible for the overall engagement will be on-site on a regular basis throughout the audit. The Supervisors along with the staff will be assigned to your audit on a full time basis. We may include an additional staff, on an as needed part-time basis, to ensure that your audit is completed in an efficient and effective manner by the report submission deadline as well as other deadlines delineated by the City. We believe this demonstrates we have the capacity to handle the City's audit.

Independence: Before accepting any new engagement, we conduct a thorough check to ensure that there are no conflicts of interest or independence issues. This procedure is in compliance with the independence requirements of all regulatory agencies and, specifically, as defined by the U.S. General Accounting Office's Governmental Auditing Standards. If selected as your auditor, we will maintain and monitor our independence as well as reassess our independence with respect to the City on an annual basis. **Axiom has assessed its independence with the City and has concluded there are no relationships that constitute a conflict of interest**. We will continue to evaluate our independence as your auditors and will give the City written notice of any professional relationships involving the City, if entered into, during the period of the audit contract.

License to Practice in New Mexico: Axiom has a current license issued by the New Mexico State Board of Public Accountancy. Additionally, all of the staff are authorized to practice public accounting in the State of New Mexico based on requirements set by the state and standard setting bodies. The Partner in charge, Jaime Rumbaoa, is a licensed Certified Public Accountant authorized to practice in New Mexico. Axiom obtains a New Mexico In-State Resident Preference Certificate (certificate # L0503257904).

References: Below are references that are similar to the engagement described in the request for proposal.

Principal Client Contact	Types of Services	Years Performed
San Juan County Jim Cox, CPA Chief Financial Officer 100 South Oliver Drive Aztec, NM 87410 (505) 334-4266 jcox@sjcounty.net	Financial Statement Audit in accordance with Governmental Auditing Standards and Federal OMB Uniform Guidance Audit	Fiscal Years 2012 to Present
New Mexico Developmental Disabilities Planning Council Kathleen Coates Chief Financial Officer 625 Silver Ave. SW, Suite 100 Albuquerque, NM 87102 (505) 841-4554 kathleen.coates@state.nm.us	Financial Statement Audit in accordance with Governmental Auditing Standards.	Fiscal Years 2013 through Present
NM Spaceport Authority Zach DeGregorio Chief Financial Officer 901 E. University Ave., Suite 965L Las Cruces, NM 88001 (505) 267-8500 zach.degregorio@spaceportamerica.com	Financial Statement Audit in accordance with Governmental Auditing Standards	Fiscal Years 2016 through Present
Village of Angel Fire Bret Wier Finance Manager 3388 Mountain View Blvd. Angel Fire, NM 87710 (575) 377-3232 bwier@angelfirenm.gov	Financial Statement Audit in accordance with Governmental Auditing Standards and Federal OMB Uniform Guidance Audit	Fiscal Years 2012 through Present
City of Bloomfield Brad Ellsworth Finance Director 915 N. First Street Bloomfield, NM 87413 (505) 632-6308 BEllsworth@bloomfieldnm.com	Financial Statement Audit in accordance with Governmental Auditing Standards and Federal OMB Uniform Guidance Audit	Fiscal Years 2015 through Present

Offeror Experience (Continued)

Axiom has an abundance of resources to successfully complete an audit of the City, which include:

- Partner Resources – The Partners themselves are a great resource to the audit of the City due to their different backgrounds and experiences in the fields of tax and state and local government. They have been highly educated through studies at Philippine School of Business Administration, Harvard University, and the University of New Mexico. With each individual's knowledge, we are able to collaborate on difficult accounting practices or new accounting pronouncements.
- Staffing – We have evaluated the extent of service required to complete an audit of the City and have concluded that we are capable of committing the required staffing time to complete your audit. Our staff is highly qualified and has expertise in auditing governmental entities.
- Research Tools – Axiom has numerous avenues of obtaining information related to operations and accounting standards, which include the Thomson Reuters online Accounting and Audit research tool which provides up-to-date standards for governmental entities. We have additionally established key alliances and affiliations with other independent public accounting firms in which we can consult and collaborate on industry trends, governmental accounting updates, auditing standards, etc.

Experience with Municipalities: Our proposed audit team has extensive experience auditing municipalities. Our Managing Partner of Assurance, Jaime Rumbaoa, has been auditing municipalities and governmental entities for over 17 years. Jaime has extensive experience with accounting standards related to governmental organizations and has worked with many clients in implementing new accounting standards. Bryan Runyan, Supervisor, has been performing governmental audits for more than 9 years. Your audit team has audited numerous municipalities which include:, City of Albuquerque, City of Bloomfield, City of Farmington, City of Las Cruces, City of Las Vegas, City of Raton, City of Roswell, City of Socorro, Village of Angel Fire, Village of Cloudcroft, Village of Los Lunas, and Village of Ruidoso. Our team has extensive experience with accounting standards related to governmental organizations. We also continually work with many clients in implementing new accounting standards.

Experience with Governmental Entities: Our audit team's experience, expertise, and training is from performing governmental audits in accordance with *Government Auditing Standards*, *OMB Uniform Guidance* for governments including colleges and universities, *Generally Accepted Governmental Auditing Standards*, and *Generally Accepted Accounting Principles*. ***As a result of our vast experience auditing governmental organizations, we understand what it takes to complete your audit.*** Overall, the expertise of the personnel that make up Axiom's audit practice group is all-encompassing. The Partners and Supervisors who would be responsible for your audit have ***completed over 250 audits of approximately 70 different governmental entities (including Municipalities)***. Through this experience we have developed, and continue to develop, great audit practices related to planning the audit to be effective and value driven, highly respectable coordination/communication of the audit with Client personnel through a teamwork approach, and highly reputable preparation and reporting of the audit results.

{AS A RESULT OF OUR VAST EXPERIENCE AUDITING STATE AND LOCAL GOVERNMENTS WE UNDERSTAND WHAT IT TAKES TO COMPLETE YOUR AUDIT AND YOUR RISK ASSESSMENT.}

On-Site Manager and Other On-Site Personnel

Team Leader: Your team leader, Jaime Rumbaoa, Partner, will be the primary contact throughout the term of the contract. Mr. Rumbaoa will be on-site on a regular basis throughout the audit. This will help with the efficiency of the audit and ensure that the City receives superior client service. Additionally, this will help us finish the audit in a timely manner to ensure that we meet the New Mexico State Auditor deadline.

Resumes of the on-site engagement Partner, Senior Manager, Supervisor, and staff are detailed in the subsequent pages. All other staff members assigned to the audit engagement of the City will be independent, compliant with the GAGAS continuing professional education requirement, and qualified to work with the City on their audit. During the course of our audit, we expect the following personnel to be assigned to your engagement:

JAIME RUMBAOA, CPA, CITP, CISA, CFE
AUDIT PARTNER

Professional Background: Jaime has practiced public accounting since 2000 and served as the engagement leader on various counties, municipalities, state agencies, and higher education audits. Prior to joining Axiom, Jaime worked for a big four and national firms for over fifteen years. Aside from financial audits, Jaime also leads Information Technology audits for systems such as Banner, Tyler (Munis and Incode), SAP, Oracle, SHARE, and other governmental systems.

Jaime's experience, expertise, and training are with audits in accordance with Generally Accepted Governmental Auditing Standards and Uniform Guidance for Federal Awards for general and special purpose governments, including municipalities, counties, school districts, cities, state agencies, higher education, and special districts.

Current and Past Relevant Experience: The focus of Jaime's career over the past 17+ years has been auditing governmental agencies. Some of the clients he has served include the following:

MUNICIPAL GOVERNMENTS

- City of Albuquerque
- City of Farmington
- City of Las Cruces
- City of Las Vegas
- City of Socorro
- Village of Angel Fire
- Village of Bloomfield
- Village of Cloudcroft
- Village of Los Lunas
- Village of Ruidoso

COUNTY GOVERNMENTS

- Bernalillo County
- Eddy County
- Los Alamos County
- San Juan County
- Valencia County

STATE AGENCIES

- New Mexico Public Education Department
- New Mexico Department of Veterans' Services
- New Mexico State Lottery
- New Mexico Educational Retirement Board
- New Mexico Department of Health
- New Mexico Mortgage Finance Authority
- New Mexico Sentencing Commission
- Public Employees Retirement Association
- Department for Aging and Long Term Services

Relevance to the City: Through the above mentioned experience, Jaime is well qualified to perform the audit of the City. Additionally, his experience with auditing state and local governments will make the audit run effectively and efficiently with minimal difficulties encountered by City staff in relation to training audit personnel on the operations of the City.

Jaime is compliant with all continuing education hours required by the State of New Mexico and the American Institute of Certified Public Accountants to perform an audit of governmental organizations. Jaime has met the industry-specific and audit continuing professional education requirements in accordance with *Government Auditing Standards*. Jaime is a member of the American Institute of Certified Public Accountants, New Mexico Society of Certified Public Accountants, Association of Certified Fraud Examiners, and Information System Audit and Control Association (ISACA). Jaime also serves as Treasurer for ISACA New Mexico Chapter.

Education: Jaime holds a BS in accounting from the Philippine School of Business Administration.

Certifications: Jaime is a Certified Public Accountant for the State of New Mexico, Colorado, and Virginia. He is a Certified Fraud Examiner, Certified Information Systems Auditor, and Certified Information Technology Professional.

CPE for Last 3 Years:

Training Title	Provider	Date	Hours
2018 Audit Rule Training	NM State Auditor	March 2018	3
Government Update 2017	Axiom	September 2017	6
Government Season Training 2017	Axiom	May 2017	6
Day 3: New Mexico Emerging Issues and Ethics	NMSCPA	May 2017	8
Day 2: Advanced Topics in Single Audits	NMSCPA	May 2017	8
Day 1: Governmental Accounting and Auditing	NMSCPA	May 2017	8
2017 Assurance Training	Moss Adams	January 2017	8.5
Assurance Services Conference	Moss Adams	September 2016	15.5
Security Basics	Moss Adams	July 2016	1
2016 Assurance Government Training	Moss Adams	April 2016	7
2.2.2 NMAC (Audit Rule 2016)	NM State Auditor	April 2016	3
2015 Assurance Year End Training	Moss Adams	January 2016	3
2015 Year End Assurance Alert	Moss Adams	January 2016	2
Single Audit Fundamentals (January 2016)	Moss Adams	January 2016	8
2016 Government, Not-for-Profit & Regulated Entities Industry Group Conference (BA)	Moss Adams	January 2016	9
Assurance Services Conference - 2015	Moss Adams	September 2015	16.5
Workplace Harassment Prevention for Managers - v4	Moss Adams	August 2015	0
Safety and Technical Excellence	Moss Adams	July 2015	3
Combating Fraud in Government & Non-profit Organizations	Moss Adams	June 2015	4
2015 Technology, Communications & Media (TCM) Group Annual Conference	Moss Adams	June 2015	9
Albuquerque Government Training	Moss Adams	May 2015	14
Independence: 2014 Update & Refresher	Moss Adams	January 2015	2
2015 Albuquerque Governmental Training	Moss Adams	January 2015	4
Assurance Services Conference - 2014	Moss Adams	September 2014	12.5
The Art and Science of People Hacking	ISACA	August 2014	7.5
Yellow Book & AICPA Clarity Standards and More	NM CPA Foundation	May 2014	4
New Pension Stds., Super Circular & Data Collection Form	NM CPA Foundation	May 2014	8
Governmental Update	Moss Adams	April 2014	3
Hollate Case Study - An Interactive Workshop	Moss Adams	April 2014	3.5
Risk Management Update	Moss Adams	January 2014	3

In summary, Jaime Rumbaoa is exceptionally qualified for his role in the audit of the City considering he has performed numerous audits of governmental agencies. He has developed a wealth of knowledge in auditing during his 17+ year career in public accounting and has become an expert in governmental accounting practices.

JIM THOMPSON, CPA, CFE
CONCURRING REVIEWER

Professional Background: Jim is a certified public accountant and certified fraud examiner with over 25 years of public accounting experience. Jim's experience, expertise and training is with audits in accordance with *Generally Accepted Governmental Auditing Standards* and *Uniform Guidance* for general and special purpose governments, including cities, counties, state agencies, school districts, charter schools and Federal government agencies.

Examples of governmental clients Jim has served include the following:

- City of Albuquerque
- City of Las Cruces
- City of Las Vegas
- City of Farmington
- City of Gallup
- City of Santa Fe
- City of Moriarty
- Eddy County
- Bernalillo County
- Los Alamos County
- City of Portland
- Multnomah County
- Gila County
- State Investment Council
- NM Human Services Department
- NM Department of Health
- Arizona State Lottery
- Arizona Department of Child Safety
- Las Cruces Public Schools & Component Charter Schools
- Santa Fe Public Schools
- Deming Public Schools & Component Charter Schools
- Taos Municipal Schools
- NM Public Education Department & Component Charter Schools

Education: BBA, University of New Mexico

Organizations: AICPA and Association of Certified Fraud Examiners

CPE: Over 120 hours of industry-specific and general accounting professional education hours over the previous 3 years such as Fraud, Single Audit, Governmental Reporting, GAGAS, Audit Efficiency, other.

In summary, Jim Thompson is exceptionally qualified for his role in the audit of the City considering he has performed numerous audits of governmental agencies. He has developed a wealth of knowledge in auditing during his 25 year career in public accounting and has become an expert in governmental accounting practices.

BRYAN RUNYAN, CPA
SENIOR MANAGER

Professional Background: Bryan Runyan, Senior Manager, has more than nine years of experience in various areas of state and local governments, including municipalities. Prior to joining Axiom, Bryan worked for Moss Adams LLP, where he gained more than five years of public accounting and auditing experience. Bryan is compliant with all continuing education hours required by the State of New Mexico and the American Institute of Certified Public Accountants to perform an audits of governmental agencies in accordance with *Generally Accepted Government Auditing Standards*, the requirements delineated in the New Mexico Office of the State Auditor *2018 Audit Rule 2.2.2 NMAC*, and those standards applicable to Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Bryan's experience, expertise and training is from performing audits in accordance with *Generally Accepted Governmental Auditing Standards*, *Uniform Grant Guidance* for general and special purpose governments including municipalities, counties, cities, colleges/universities, and special districts, U.S. General Accounting Office government auditing standards, and *Generally Accepted Accounting Principles*.

Current and Past Relevant Experience: The focus of Bryan's career during the past 9+ years has been auditing state and local government entities. Some of the clients he has served includes the following:

MUNICIPAL GOVERNMENTS
- City of Albuquerque
- City of Bloomfield
- City of Las Cruces
- City of Las Vegas
- City of Roswell
- City of Socorro
- Village of Angel Fire
- Village of Cloudcroft
- Village of Los Lunas

COUNTY GOVERNMENTS
- Bernalillo County
- Los Alamos County
- Santa Fe County

COUNTY GOVERNMENTS (Cont.)
- San Juan County
- Valencia County

STATE AGENCIES
- NM Department of Cultural Affairs
- NM Developmental Disabilities Planning Council
- NM Department of Health
- NM Department of Public Safety
- NM Department of Transportation
- NM Educational Retirement Board
- NM Public Education Department
- NM State Land Office

Relevance to the City: As noted in the above, Bryan has extensive experience working on state and local governmental audits. Such knowledge allows Bryan to assist with the audit of the City with no difficulty. Throughout his career, Bryan has assisted clients with continued implementation of GASB Statement No. 34, 35, 68 and 72.

Education: Bryan holds a Bachelor's and Masters of Accountancy degree from New Mexico State University.

CPE for Last 3 Years:

Training Title	Provider	Date	Hours
Government Season Training 2017	Axiom	May 2017	3
New Mexico Emerging Issues and Ethics	NMSCPA	May 2017	8
Advanced Topics in Single Audit	NMSCPA	May 2017	8
Governmental Accounting and Auditing	NMSCPA	May 2017	8
2.2.2 NMAC Audit Rule 2017	NM State Auditor	April 2017	3
Governmental Summer Training	Axiom	July 2016	17

Government Day CPE Day 1	Axiom	May 2016	8
OSA and NM Society of CPAs Annual Gov't Finance Experts	NM Society	May 2016	24
2.2.2 NMAC Audit Rule 2016	NM State Auditor	March 2016	8
2015 Government Wrap up, Circular, FASB, Audit Assertions	Axiom	December 2015	7
Yellow Book Financial	QAS	July 2015	3
Super Circular Grant Management Reform	QAS	July 2015	3
Government Accounting Standards Board	Becker	July 2015	1.5
Government Audit Days	Axiom	July 2015	8
Single Audit and Uniform Grant Guidance Plus, GASB 68 and Government Update	NMSCPA	May 2015	16
2.2.2 NMAC Audit Rule 2015	NM State Auditor	April 2015	3
PED, Charter Schools & Intro to Governments	Axiom	March 2015	5
Making the Single Audit Transition	Federal Fund Management Advisor	January 2015	1.5
Government Season Wrap Up	Axiom	December 2014	8
Jumping on the Exit Planning Bandwagon	Arne & Co.	December 2014	1
SALT issues for Governments	Axiom	June 2014	2
Government Day 2014	Axiom	June 2014	8
Government Update	Moss Adams	April 2014	8
Hollate Case Study –an interactive workshop	Moss Adams	April 2014	3
PPG Live: 2013 Auditing and Accounting Year End Update	Moss Adams	January2014	1.5

In summary, Bryan is qualified to perform the audit of the City. Over his 9+ year career in public accounting, he has performed more than 35 audits of governmental entities, including municipalities. He has a developed a high degree of knowledge related to governmental operations and control structures which allows for an efficient and effective audit.

TYLER MARSHALL, SUPERVISOR

Professional Background: Tyler Marshall, Supervisor, has more than six years of experience in various areas of government. Prior to joining Axiom, Tyler worked for Moss Adams LLP, a large regional firm, where he gained more than six years of public accounting and auditing experience. Tyler has expertise in the industries of governmental entities, including municipalities and state and local governments. In addition, Tyler has expertise in performing audits in accordance with Uniform Guidance for Federal Awards. Tyler is compliant with all continuing education hours required by the State of New Mexico and the American Institute of Certified Public Accountants to perform an audit of governmental entities in accordance with *Generally Accepted Government Auditing Standards* and those standards applicable to Office of Management and *Uniform Guidance Audits of States, Local Governments and Non-Profit Organizations*.

Current and Past Relevant Experience: The focus of Tyler's career during the past 9+ years has been auditing state and local government entities. Some of the clients he has served includes the following:

MUNICIPAL GOVERNMENTS

- City of Albuquerque
- City of Bloomfield
- City of Farmington
- Village of Angel Fire

COUNTY GOVERNMENTS

- Bernalillo County
- Valencia County

STATE AGENCIES

- Department of Cultural Affairs
- New Mexico Commission for the Blind
- Public Education Department

Education: Tyler holds a Bachelor's degree in accounting from the University of New Mexico.

Relevance to the City: As noted in the above, Tyler has extensive experience working on GASB entities related to education. Throughout his career, he has assisted clients with continued implementation of GASB standards and assisted numerous clients in 2017 to implement GASB 77.

CPE for Last 3 Years:

Training Title	Provider	Date	Hours
2018 Audit Rule Training	NM State Auditor	March 2018	3
A&A Update: What You Need to Know to Plan Your 2017 Calendar Year End Assurance Work	Moss Adams	September 2017	1.5
Assurance Practice Essentials Program - Track 3	Moss Adams	August 2017	17
2017 Assurance Government/NFP Training	Moss Adams	May 2017	14
2017 EBP Intermediate Training	Moss Adams	April 2017	7
2017 EBP Intermediate Training - Teaching	Moss Adams	April 2017	1
2017 Assurance Training	Moss Adams	January 2017	9
Indirect Cost Training	Moss Adams	October 2016	4
Assurance Practice Essentials Program - Track 3	Moss Adams	August 2016	18
Security Basics	Moss Adams	July 2016	1
2016 EBP Advanced Training Webcast	Moss Adams	May 2016	2
2016 EBP Intermediate Training	Moss Adams	May 2016	8
2016 Assurance Government Training	Moss Adams	April 2016	8
2015 Assurance Year End Training	Moss Adams	January 2016	6
2015 Year End Assurance Alert	Moss Adams	January 2016	2
Single Audit Fundamentals	Moss Adams	January 2016	8
Professional Ethics : Update and Refresher Behavioral Ethics	AICPA	December 2015	2
Assurance Practice Essentials Program – 2015, Accounting, Auditing, Personal Development	Moss Adams	August 2015	18
Albuquerque Government Training, Auditing (Governmental)	Moss Adams	May 2015	14
2015 EBP Staff Level II, Auditing	Moss Adams	April 2015	8

2015 Albuquerque Governmental Training, Accounting (Governmental), Personal Development	Moss Adams	January 2015	6

In summary, Tyler is qualified to perform the audit of the City. Over his 6 year career in public accounting, he has performed more than 30 audits of governmental entities, including entities related to education. He has developed a high degree of knowledge related to government operations and control structures which, allows for an efficient and effective audit.

SHAYNAE VASQUEZ, ASSURANCE SENIOR

Professional Background: Shaynae is an Assurance Senior with Axiom who has over 3 years of public accounting experience which includes experience with a Big 4 accounting firm. Her experience has been gained through working on governmental audits. Shaynae is an active member in the Albuquerque Chapter of the largest Latino Professional Organization in the Country, ALPFA (Association of Latino Professionals for America). Shaynae is compliant with all continuing education hours required by the State of New Mexico and the AICPA to perform audits of governmental agencies in accordance with *Generally Accepted Government Auditing Standards* and those standards applicable to the *Uniform Grant Guidance*.

Current and Past Relevant Experience: Shaynae has experience working on the following government entities:

MUNICIPAL GOVERNMENTS

- Village of Angel Fire
- Village of Ruidoso
- City of Bloomfield

COUNTY GOVERNMENTS

- San Juan County

STATE AGENCIES

- Public Education Department
- Spaceport America

Education: Shaynae earned her Bachelor of Accountancy from New Mexico State University.

Relevance to the City: As noted above, Shaynae has experience working on governmental audits in accordance with *Government Auditing Standards, Uniform Grant Guidance* for general and special purpose governments including municipalities. Such knowledge allows Shaynae to assist with the audit of the City with ease.

CPE for Last 3 Years:

Training Title	Provider	Date	Hours
2018 Audit Rule Training	NM State Auditor	March 2018	3
Government Update	Axiom	September 2017	3
Government Season Training	Axiom	May 2017	3
Day 3: New Mexico Emerging Issues & Ethics	NMSCPA	May 2017	8
Day 2: Advanced Topics in Single Audits	NMSCPA	May 2017	8
Day 1: Governmental Accounting & Auditing	NMSCPA	May 2017	8
2017 Audit Rule Requirements	NM State Auditor	April 2017	3
Analyzing a Company's Financial Statement	KPMG	January 2017	3.4
Ethics and Compliance Training	KPMG	August 216	1
RIC RTP - IDEA and the eData Solutions Center	KPMG	June 2016	5
Data Literacy	KPMG	June 2016	1.3
Engagement Profitability and Relevant Assertions	KPMG	June 2016	1
RIC RTP - Resource Planning	KPMG	June 2016	1.3
RIC RTP - Sampling Basics	KPMG	June 2016	4.6
RIC RTP - Delegation	KPMG	June 2016	1.3
Significant Accounts and Relevant Assertions	KPMG	June 2016	1
Determining Planned Audit Approach	KPMG	June 2016	1
Entity Level Controls	KPMG	June 2016	1
Road to In-Charge	KPMG	June 2016	26
Risk Assessment	KPMG	June 2016	1
QAS	KPMG	May 2016	2.1

In summary, Shaynae is qualified to perform an audit of the City. She has a developed a high degree of knowledge related to government operations and control structures which allows for an efficient and effective audit.

REINA GUTIERREZ, ASSURANCE SENIOR

Professional Background: Reina has practiced public accounting since 2016 and has experience on many governmental entity audits including audits of municipalities. She is compliant with all continuing education hours required by the State of New Mexico and the American Institute of Certified Public Accountants to perform an audit of governmental agencies in accordance with *Generally Accepted Government Auditing Standards* and those standards applicable to the *Uniform Grant Guidance*.

Reina has experience working on the following government entities:

MUNICIPAL GOVERNMENTS

- City of Bloomfield
- City of Socorro
- Village of Cloudcroft
- Village of Los Lunas

COUNTY GOVERNMENTS

- Lea County
- Taos County

STATE AGENCIES

- New Mexico Public Education Department
- Division of Vocational Rehabilitation
- New Mexico Developmental Disabilities Planning Council

Education: Reina holds a Bachelor's degree in Business Administration with a focus on Accounting from the University of New Mexico.

Relevance to the City: As noted in the above, Reina has experience working on governmental audits in accordance with *Government Auditing Standards, Uniform Grant Guidance* for general and special purpose governments including municipalities. Such knowledge allows Reina to assist with the audit of the City with ease.

CPE for Last 3 Years:

Training Title	Provider	Date	Hours
2018 Audit Rule Training	NM State Auditor	March 2018	3
Government Update	Axiom	September 2017	3
Government Season Training	Axiom	May 2017	3
Day 3: New Mexico Emerging Issues & Ethics	NMSCPA	May 2017	8
Day 2: Advanced Topics in Single Audits	NMSCPA	May 2017	8
Day 1: Governmental Accounting & Auditing	NMSCPA	May 2017	8
2017 Audit Rule Requirements	NM State Auditor	April 2017	3
Governmental Summer Day 2	Axiom	July 2016	8
Governmental Summer Day 1	Axiom	July 2016	8
Government Day	Axiom	May 2016	8

In summary, Reina is qualified to perform an audit of the City. She has a developed a high degree of knowledge related to government operations and control structures which allows for an efficient and effective audit.

External Quality Control Review

Quality Control Review: Please see the subsequent pages for Axiom's most quality control review. The review did not include any comments on our governmental audits.

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
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LUBBOCK, TEXAS 79423-1954

System Review Report

November 2, 2016

To the Owners of
AXIOM Certified Public Accountants and Business Advisors, LLC
and the Colorado Society of CPA's Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of AXIOM Certified Public Accountants and Business Advisors, LLC (the firm) in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

We noted the following deficiencies during our review:

1. Deficiency – The firm did not perform adequate procedures for the employee benefit plan reviewed. The following issues were noted:
   - Control risk was assessed less than high for contributions, but there was no documentation that the auditor evaluated the effectiveness of controls at the service organization.
   - Inherent risk was assessed at low for investments, but the engagement was a full-scope audit with significant investments. No audit program was used for investments and sufficient audit procedures were not performed in the area of investments to support their unmodified opinion on a full-scope audit.
   - Procedures performed in the areas of contributions and income allocation testing were not complete, and therefore, were inadequate to note DOL compliance.

Recommendation – The firm should seek additional education and training in current standards as they relate to providing audit level services for employee benefit plans. In addition, the firm should perform additional procedures for the engagement tested to support their opinion.

2. Deficiency – The firm did not have a written quality control document in place and made available to audit staff. This was a repeat finding from the previous peer review. In addition, the firm's internal inspection did not note any of the matters listed as MFCs or deficiencies in this report, as they did not select any engagements for which we found MFCs and deficiencies.

   Recommendation – The firm should immediately make the QCP filled out for the peer review available to audit staff. In addition, they should use that form to draft a comprehensive quality control document. In addition, we recommend that the firm includes a sample of those engagements that must be selected for peer review (ie. employee benefit plans) in their internal inspection.

In our opinion, except for the deficiencies described above, the system of quality control for the accounting and auditing practice of AXIOM Certified Public Accountants and Business Advisors, LLC in effect for the year ended May 31, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail.* AXIOM Certified Public Accountants and Business Advisors, LLC has received a peer review rating of *pass with deficiencies.*

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Technical Plan and Approach

Knowledge of the City's Needs and Products to be Delivered: Our audit team's experience, expertise, and training is from performing audits in accordance with *Government Auditing Standards*, *OMB Uniform Guidance* for governments including municipalities, *Generally Accepted Governmental Auditing Standards*, U.S. General Accounting Office government auditing standards, and *Generally Accepted Accounting Principles*. Our vast experience includes the successful completion of more than ***250 audits of approximately 70 different governmental entities*** performed by the Partners and Supervisors who would be responsible for your audit.

Technical Plan and Time Estimates: We will perform an effective audit that provides high quality deliverables to you. We acknowledge that the audit adds an initial "burden" on the staff of the City and we have developed an efficient audit approach that is risk-based where we will spend the majority of our time on the areas that have higher risk. Steps to assessing audit risk include:

- Obtaining copies of organization changes, obtaining updated accounting manuals/program descriptions, obtaining updated control documentation, and discussing controls with those involved;
- Performing walk-throughs of transaction processes to verify control design and implementation;
- Identifying risks at various levels: business, environmental, and internal;
- Inquiring of management;
- Evaluating relative levels of inherent risk and control risk;
- Discussing risk with predecessor auditors; and
- Evaluating the integrity of management and evaluating for the existence of external pressures (whether related to performance or other measures).

Subsequent to our assessment of audit risk, we will tailor our audit approach to focus on high-risk areas. By focusing on high-risk areas, we will provided the best quality conclusions related of the fiscal year under audit. While our focus will be on high-risk areas, we will also consider all transactions that occurred during the year. Our audit approach consists of planning, assessing internal controls, designing audit procedures, performing substantive testing procedures, and developing audit conclusions.

Planning: Our audit plan will consist of an evaluation of the environment of the City, assessment of risk as detailed above, and identification of the audit areas to test. We will meet with management to discuss our approach and the departments that will be affected.

Designing Audit Procedures: Subsequent to planning and providing conclusions over the control structures of the significant transaction cycles, we will develop and tailor our audit programs with the objective of obtaining evidence from a combination of internal control testing, analytical procedures, and tests of account balances. The degree of evidence to be obtained from each of the three general types of procedures is determined using an audit approach decision model, where the model takes into account the strength of the City's system of internal control.

We consider assessment of internal controls, assessment and testing of compliance, and designing audit procedures to be interim fieldwork. Generally, interim fieldwork will be completed close to the fiscal year end of the City or shortly thereafter.

Technical Plan and Approach (Continued)

Assessing Internal Controls: Once we identify the specific audit areas to test, we will perform walk-throughs of the transaction cycle to understand how they are processed. We will subsequently perform certain procedures to test that the design of the control structure is appropriate and that it had been implemented during the year. After concluding that the control structures are in place, we will consider performing further tests of the control structures.

Axiom also emphasizes fraud controls that go beyond what is required by auditing standards. We obtain further understanding of fraud risk areas that may be applicable to the City, such as wire transfers, journal entries, master data updates, etc.

Assessing and Testing Compliance: We will perform a major program determination using the total federal expenditures during the year as detailed in the Schedule of Expenditures of Federal Awards as provided by you. Additionally, we will select samples of sufficient size to reduce audit risk to a minimal amount to gain assurance that the City is in compliance with the requirements set forth in the *Office of Management and Budget Uniform Guidance*. Our samples will be sufficient to allow for testing of control structures surrounding the federal transaction cycle to reduce audit risk to a minimum level. Audit sampling for compliance may be at a combined program level or by each specifically identified major program.

Substantive Testing and Audit Conclusions: We will perform the planned substantive testing procedures and consider the sufficiency of the audit evidence. As we cannot test every transaction that occurred during the fiscal year, we will utilize a sampling methodology in which we will calculate a statistical sample taking into consideration such items as an expected misstatement, total dollar value of the population, and acceptable dollar error thresholds. Once a sample is derived, we will utilize random sampling techniques to select the transactions for testing. If we identify unexpected errors within our testing, we will extrapolate the difference to the entire population and make conclusions. The extent of statistical sampling will be based on the type of transaction, how the transaction was processed, and how frequently it was executed.

For those accounts that are not conducive to testing through substantive account balance testing of the account details, we will consider performing analytical procedures in which we will develop independent expectations, compare to the actual balances, and evaluate any significant differences. Independent expectations may be developed using documents generated by the City, including the budget-to-actual report for the fiscal year being audited, discussions with management, or based off of reports generated from the City's management information systems.

We will subsequently perform an overall evaluation of the financial statements and related disclosures, form our audit opinions, and report to management.

Technical Plan and Approach (Continued)

Proposed Segmentation of the Engagement: The table below represents our estimated timeline related to planning, interim fieldwork, final fieldwork, and reporting. We understand there are circumstances that may require alteration of the estimated timing due to the City's projects, readiness, etc. We plan to work closely with the City to ensure that the timing will be adequate to efficiently and effectively complete the audit by the deadline and without causing intense interruption to the operations of the City. ***We will work with the City to ensure that their audit for the fiscal year ended June 30, 2018 and thereafter will be submitted to the New Mexico State Auditor on time.***

We understand that a first year audit takes additional work for both our clients and for us. We propose that the additional work necessary to gain our first time understanding of your internal control systems, internal control processes and your IT environment should be completed well in advance of fieldwork. This will allow us to accomplish the fieldwork portion of the audit in a comparable timeframe to your previous audits. As mentioned earlier, our Partner responsible for signing off on the engagement will be in the field on a regular basis throughout the audit. This allows us to address any questions or issues immediately and without causing delays to the audit. Also, this allows for the audit to be substantially reviewed at the end of the fieldwork, which reduces the time between when we pull out of the field and when we go over the draft financial statements with management. The timeline below takes all of this information into consideration.

Task	Axiom Estimated Time Period
Entrance Conference	June 2018
Financial Statement Audit – Interim Fieldwork	June 2018
Financial Statement Audit – Final Fieldwork	August/September 2018
Single Audit	August 2018
Reporting – Submission to the New Mexico State Auditor	November 2018

Plans for Using City Staff (including Internal Audit): The PBC requests are a major aspect of the audit process that will involve your staff. We customize your PBC requests to be specific to your circumstances and we use information and work papers you already have. We will work with your staff to perfect this working list as it is a valuable tool for keeping the audit on-track and on-time.

If applicable, we will set up a meeting with key personnel of the Internal Audit (IA) Department to determine if any reliance of their work can be made. Procedures would include reviewing IA reports as part of our risk assessment and their test plan and working papers as necessary.

Technical Plan and Approach (Continued)

Approach for Planning and Conducting Subsequent Years Audits: The first year of an audit engagement is a crucial year in which we work together with the City to identify what items worked well and what items can be improved upon. We make great efforts to identify those items upon completion of the audit and utilize that knowledge to adjust our audit plan and/or timing accordingly. Through this process, we are better able to perform the audit of the City as effectively and efficiently as possible with minimal impact to the City.

In subsequent years, we will already have a good understanding of the City's operations. This depth of knowledge will allow for updating our understanding of internal controls, and any changes in those controls made during the year, which will reduce the time needed from your staff. Subsequent to updating our understanding, we will perform a similar risk assessment as completed in the current year and will adjust our audit to develop a new plan each fiscal year.

In subsequent years, we will be on-site prior to the end of the fiscal year (June 30th) to perform our risk assessment and planning phase of the engagement. Additionally, we will complete interim work where we will perform our test of controls and, if applicable, we will begin Single Audit testing under OMB Uniform Guidance. This will allow us to spend less time after your fiscal year end so that we can easily meet the deadline for the submission of your financial statements. This also allows for a less stressful audit as the work would be spread out over a greater period of time.

Electronic Data Processing Software in the Engagement: Technology utilized by Axiom is critical for us to be a firm qualified to perform a successful audit. We are pleased to discuss our efficient use of audit technology as follows:

ProFx Engagement (ProFx) – our trial balance and paperless audit software: This software directly links your financial statements with the trial balances we audit. After scanning your data into the system, our auditors can access the full working paper files from any location with internet access. We then document our audit procedures using custom templates in Microsoft Excel, Word and Adobe Acrobat. At the end of the audit, we house your electronic files in a secure data warehouse.

IDEA: We will utilize IDEA data extraction software to assist us in completing our analytical procedures. We will obtain a detail general ledger of all transactions that occurred during the year and download that information into IDEA. We will analyze the data for unusual transactions and create reports for our audit procedures. Additional functionality of this program allows us to receive files in many formats used by the City, which alleviate the stresses and pressures of converting data into a usable format.

CCH Portal – The portal is our firm's private file transfer system: This tool, to which only key client personnel, our key engagement team members and limited IT personnel have access to, provides a private environment for transmission of sensitive data that is necessary for our engagement. The portal also accommodates extremely large data files that cannot efficiently be transmitted using other means. Because this is a private portal, security is vastly improved over that of internet transmissions such as e-mail.

With the ability to transfer data files using the portal, our engagement team can perform many required tasks from our offices and other work locations. This reduces out-of-pocket travel costs and means we are better prepared when we arrive at your offices. We understand the sensitive nature of much of the material sent via the portal, and should the engagement team or client decide, all data can be deleted from the portal immediately after the process is complete. Otherwise, the data is automatically deleted within 60 days of each document's original posting to the portal.

Firm Strengths or Weaknesses

STRENGTHS

The following are factors that we consider strengths of Axiom which will help ensure the City submits their financial statements to the New Mexico State Auditor's Office by the required due date.

Partner Presence at the City: As a Partner for Axiom, Jaime Rumbaoa will be present at the City on a regular basis throughout the audit. This will help with the efficiency of the audit and ensure the City will receive superior client service. This also will help ensure that the financial statements are submitted to the New Mexico State Auditor by the required due date.

Municipality Experience: Axiom has extensive experience with State and Local Governments. We have performed audits for City of Albuquerque, City of Bloomfield, City of Farmington, City of Las Cruces, City of Las Vegas, City of Raton, City of Roswell, City of Socorro, Village of Angel Fire, Village of Cloudcroft, Village of Los Lunas, and Village of Ruidoso.

Emphasis on IT General Controls: We are one of the very few accounting firms that emphasize review of IT general controls. This includes review of the City's networks, financial applications and other relevant systems. Our partner is also an IT specialist and has reviewed accounting systems and ERP systems (Banner, Oracle, MS Govern, SAP, Tyler Incode and Munis) for municipalities, counties, schools, not-for-profit, commercial, and governmental entities for over 12 years.

Working with Our Clients: We pride ourselves in providing superior client service. We will be attentive to your every need and will do everything we can to keep you informed on the issues and areas that are of particular importance to you. We don't just show up during the audit but we are proactive with our clients throughout the year. We commit to working with our clients throughout the year to help make a difference.

Communication with those Charged with Governance and Management: We consider it a best practice to meet with management and those charged with governance at least two times a year. We use these meetings as an opportunity to discuss matters such as:

- Significant events that have taken place during the year;
- Changes in key positions of management;
- Changes in major control structures;
- Recent accounting and auditing standards effective for the audit year; and
- Any additional information to allow for timely and exceptional client service.

At the completion of the audit we will meet with you to discuss the results of the audit, including a review of the required communications, the financial statements and the reports to your management.

WEAKNESSES

There are not any identified weaknesses that would prohibit Axiom from performing the audit and completing it within the required New Mexico State Auditor due date.

Cost

Services	FYE 2018		FYE 2019		FYE 2020	
	1st Year Hours	1st Year Cost	2nd Year Hours	2nd Year Cost	3rd Year Hours	3rd Year Cost
Financial Statement Audit	520	$52,000	520	$54,500	520	$57,000
Federal Single Audit	100	$10,000	100	$10,000	100	$10,000
Financial Statement Preparation	80	$8,000	80	$8,000	80	$8,000
Component Unit	-	-	-	-	-	-
Other non-audit services	-	-	-	-	-	-
Subtotal	-	$70,000	-	$72,500	-	$75,000
Gross Receipts Tax	-	$5,250	-	$5,438	-	$5,625
TOTAL	700	$75,250	700	$77,938	700	$80,625

Attachments

Please see the subsequent pages for the required attachments.

1. Acceptance of Conditions
2. Offeror Information
3. Non-Collusion Affidavit of Prime Contractor
4. Campaign Contribution Disclosure Form
5. Resident Business Certificate

7. ACCEPTANCE OF CONDITIONS

NOTICE: TO BE A VALID PROPOSAL, PROPOSAL MUST BE SIGNED BELOW

The undersigned certifies that he/she has read and understood the following general conditions and that the firm represented accepts the conditions and submits the attached proposal in full compliance with the General Proposal Conditions.

Axiom CPAs and Business Advisors LLC
Name of Firm

316 Osuna Rd NE, Suite 401
Mailing Address of Firm City,

Albuquerque, NM 87107

State and Zip Code Telephone

(505) 767-7600

Number

(505) 767-7601

Fax Number

Signature of Owner, Partner, Officer or Authorized Agent

April 13, 2018
Date

8. TERM

The term of this agreement shall be for a period of one (1) year, subject to annual extensions, if agreed to and approved by the State Auditor, up to 3 years total. Sixty (60) days prior to the end of each year of the agreement, City of Las Vegas may, without stating a cause, give notice of its intention to terminate the contract.

a. Termination

This Contract may be terminated by either of the parties hereto upon written notice delivered to the other party at least ninety (90) days prior to the intended date of termination. The written notice referred herein need not set forth reasons for any such termination. By such termination neither party may nullify obligations already incurred prior to the date of termination. This notice requirement may be shortened only upon a written agreement by the two parties. However, should the Contractor default in the Contract, the City retains the right to terminate this agreement immediately.

OFFEROR INFORMATION

OFFEROR: Axiom Certified Public Accountants and Business Advisors LLC

AUTHORIZED AGENT: Jaime Rumbaoa

ADDRESS: 316 Osuna Rd NE, Suite 401, Albuquerque, NM 87107

TELEPHONE NUMBER (505) 767-7600

FAX NUMBER (505) 767-7601

DELIVERY: Hand Delivery

NEW MEXICO TAX IDENTIFICATION NUMBER (CRS): 03237435006

NEW MEXICO CONTRACTORS LICENSE NO.: L0503257904

SERVICE (S: **2018-2019-2020 ANNUAL AUDIT SERVICES**

THE CITY OF LAS VEGAS RESERVES THE RIGHT REJECT ANY OR ALL PROPOSALS AND TO WAIVE ANY TECHNICAL IRREGULARITY IN THE FORM.

AFFIDAVIT FOR FILING WITH COMPETITIVE PROPOSAL

STATE OF New Mexico }

COUNTY OF Bernalillo }

I, Jaime Rumbaoa of lawful age, being of first duly sworn in oath, say that I am the agent authorized by the offerors to submit the attached proposal. Affiant further states that the offeror has not been a party to any collusion among offerors in restraint of freedom of competition by agreement to a fixed price or to refrain from submitting a proposal; or with any city official or employee as to the quantity, quality or price in the prospective contract, or any other terms of said prospective contract; or in any discussion between offerors with any City official concerning an exchange of money or any other thing of value for special consideration in the letting of a contract.

Signature

Subscribed and sworn to before me, this 12th day of April, 2018

(SEAL)

Notary Public Signature

Official Seal
MICHELLE LANCASTER
Notary Public
State of New Mexico
My Comm. Expires 7/19/2021

My Commission Expires: July 19, 2021

SECTION 00410
NON-COLLUSION AFFIDAVIT OF PRIME CONTRACTOR

State of New Mexico)
)
County of San Miguel)

I, Jaime Rumbaoa being first duly sworn, depose and say that:

(1) He/She is the Partner of Axiom CPAs the Bidder that has submitted the attached Bid.

(2) He/She is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid.

(3) Such Bid is genuine and is not a collusive or sham Bid.

(4) Neither the said Bidder nor any of its partners, officers, owners, agents, representatives, employees, or parties in interest, including this affidavit, has in anyway colluded, conspired, connived or agreed, directly or indirectly with any Bidder, firm, or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such contract, sought by agreement or collusion or communication or conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overhead, profit or cost element of the Bid price or the Bid price of any other Bidder or to secure through any collusion, conspiracy or conveyance or unlawful agreement any advantage against the owner or any person interested in the proposal Contract; and

(5) The price or prices quoted in the attached Bid are fair and are not tainted by any collusion, conspiracy, conveyance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees or parties of interest, including this affiant.

/s/ _____

Subscribed and sworn before me this 17th day of April, 2018 ~~2015~~.

NOTARY PUBLIC: Michelle Lancaster My Commission Expires: 7/19/2021

Official Seal
MICHELLE LANCASTER
Notary Public
State of New Mexico
My Comm. Expires 7/19/2021

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to Chapter 81, Laws of 2006, any prospective contractor seeking to enter into a contract with any state agency or local public body must file this form with that state agency or local public body. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars ($250) over the two year period.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

"**Applicable public official**" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

"**Campaign Contribution**" means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

"**Contract**" means any agreement for the procurement of items of tangible personal property, services, professional services, or construction.

"**Family member**" means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

"**Pendency of the procurement process**" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

"**Person**" means any corporation, partnership, individual, joint venture, association or any other private legal entity.

"**Prospective contractor**" means a person who is subject to the competitive sealed

proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

"Representative of a prospective contractor" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(The above fields are unlimited in size) _____

_____ _____
Signature Date

_____
Title (position)

-OR-

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS ($250) WERE MADE to an applicable public official by me, a family member or representative.

_____ April 13, 2018
Signature Date

Partner
Title (Position)

Copy

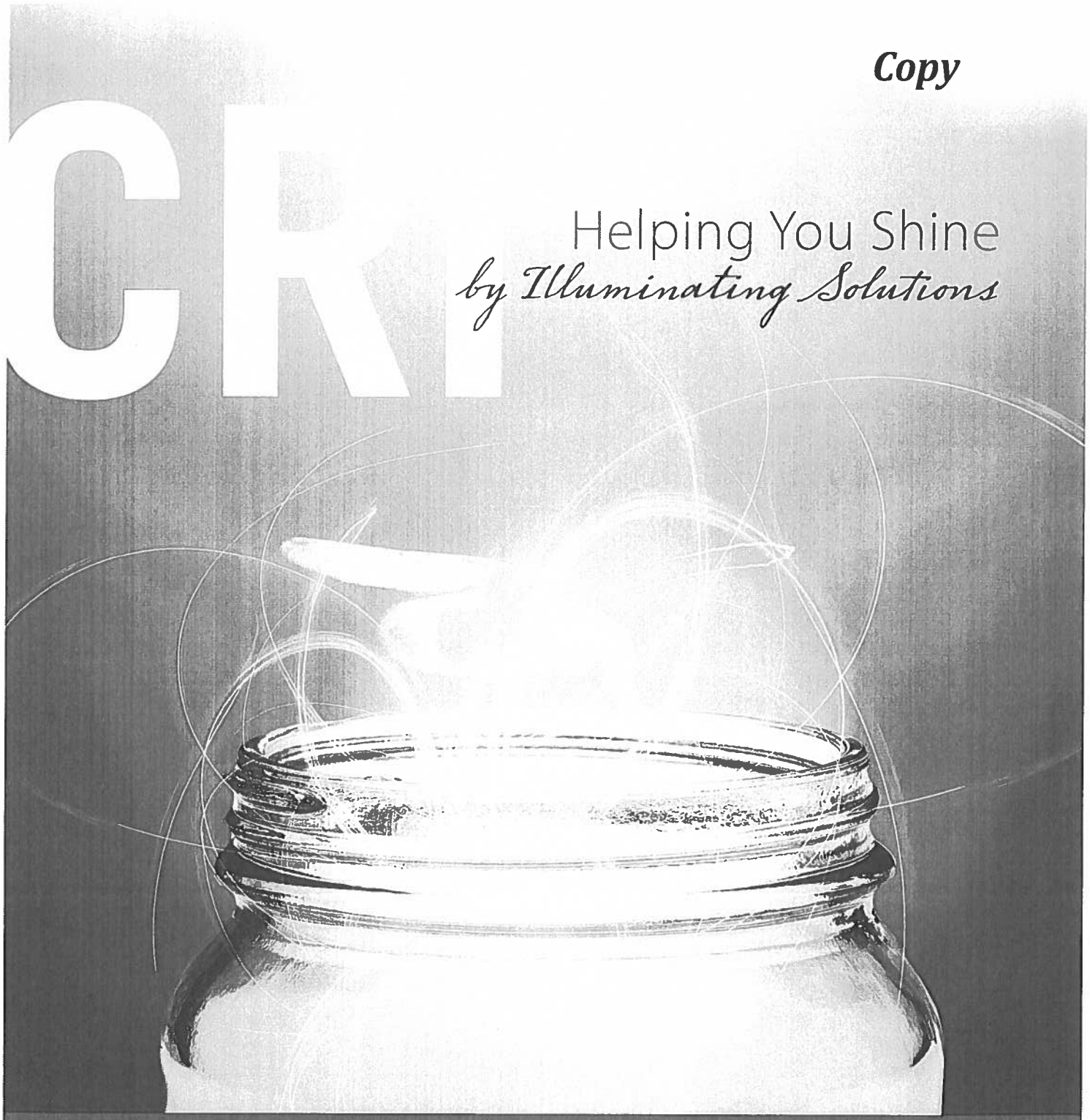
Helping You Shine
by Illuminating Solutions

PROPOSAL FOR
professional services

CRI CARR RIGGS & INGRAM
CPAs and Advisors
CRIcpa.com

Copy

Helping You Shine
by Illuminating Solutions



professional services

PROPOSAL FOR

City of Las Vegas, NM

April 11, 2018

PROPOSER
Carr, Riggs & Ingram, LLC
2424 Louisiana Blvd NE Ste 300
Albuquerque, NM 87110
505.883.2727

CRI CARR RIGGS & INGRAM
CPAs and Advisors
CRIcpa.com

SUBMITTED BY
Danny Martinez, CPA, CGMA, CGFM
Engagement Partner
dmartinez@CRIcpa.com

Dear Selection Committee:

Carr, Riggs & Ingram, LLC (CRI) appreciates the opportunity to propose on providing financial and compliance audit services to the City of Las Vegas, New Mexico (Las Vegas). We are genuinely excited about the prospect of continuing to serve you. We pride ourselves on illuminating solutions for our clients by providing innovative IDEAS to move them from compliance to providing a competitive advantage.

CRI was just named the 19th largest CPA firm nationwide; you can continue to expect timely personal service with the highest attention to detail. We are proud of our unique structure and resources which enables us to offer our clients the personal attention that is the hallmark of a local firm, combined with the highly sophisticated resources that are typically only available to national and international firms.

We really enjoy working on this audit the past three years and look forward to contining our relationship with the City. Knowing the systems and functions of Las Vegas will ensure the completion on an efficient audit the next three fiscal years. You all are very helpful and gracious throughout the audit process which we do appreciate. With CRI you are getting a team whose primary industry since the mid-90's is New Mexico State and Local Governments.

We are very proud of our credentials to continue to serve Las Vegas. However, we recognize that credentials and firm names are not enough. The most important factor in your evaluation is to select a firm whose people are enthusiastic, easy to work with, listen carefully to your needs, and contribute outstanding expertise to your professional team. If you have any questions or require additional information, please do not hesitate contacting us. We eagerly await the opportunity to establish this service relationship; our entire team is looking forward to providing high quality, cost-effective services to Las Vegas.

Again, we appreciate your consideration.

The undersigned certifies that he/she has read and understood the following general conditions and that the firm represented accepts the conditions and submits the attached proposal in full compliance with the General Proposal Conditions.

Carr, Riggs & Ingram, LLC
Name of Firm

2424 Louisiana Blvd NE Suite 300
Mailing Address of Firm

Albuquerque, NM 87110
City, State and Zip Code

505.883.2727
Telephone Number

505.884.6719
Fax Number

Signature of Owner, Partner, Officer or Authorized Agent

April 11, 2018

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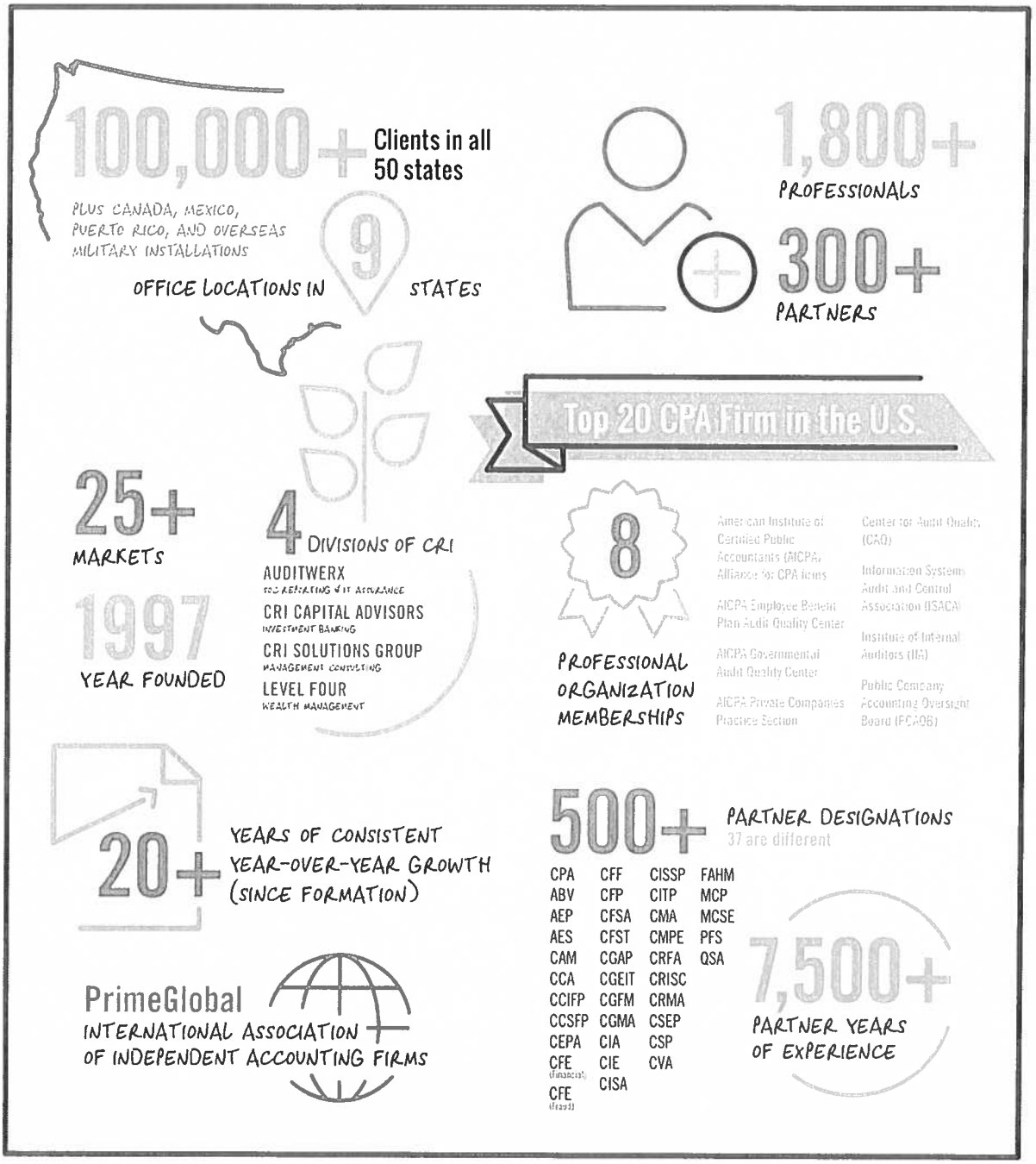
FIRM PROFILE

CRI is a regional firm and one of the fastest growing public accounting firms in the United States. We have the size and resources to provide Las Vegas with the services requested in the time frame required. Our practice unit has a total of 175 team members; the graphic below explains our operations firm wide.



The work for Las Vegas will be completed by the Southwest Special Practice Unit (SPU). Our SPU's audit practice is proud to have three partners, two managers, two supervisors, seven seniors, and nine staff accountants providing over 28,000 hours dedicated to providing audits and related services to government entities in our region.

INDEPENDENCE

CRI personnel adhere to applicable independence, integrity and objectivity requirements of the American Institute of Certified Public Accountants (AICPA), New Mexico Society of CPA's, New Mexico State Board of Public Accountancy, and New Mexico State Auditor's Office. Maintaining our independence while complying with the rules require that we develop and publish policies and guidance, train our people on the rules, and implement processes that monitor compliance. Based on our internal policies and procedures, we feel we are currently independent with respect to Las Vegas, and the Housing Authority, as defined by the U.S. General Accounting Office's *Government Auditing Standards*. Further, CRI warrants that it presently has no interest and will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the audit services.

Ray Roberts, the Partner in Charge of our practice unit, recently completed his term on the AICPA Professional Ethics Executive Committee, which creates the independence rules among other matters. CRI has policies and procedures to provide reasonable assurance that all professional personnel maintain independence, integrity and objectivity, as required under professional standards.

QUALITY CONTROL

Our audit, tax, consulting, and client accounting services documentation is maintained electronically. Compliance with our methodology is regularly reviewed and evaluated as part of our internal quality program, which is further discussed below. Comprehensive policies and procedures governing all of our practices and addressing professional and regulatory standards and implementation issues are constantly updated for new professional developments and emerging issues. See PAGES 12 – 14 for a more detailed description of the relevant approach and methodology.

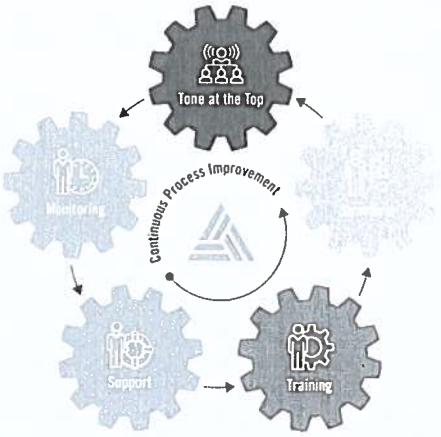
ENGAGEMENT QUALITY Control REVIEW PARTNER (CONCURRING PARTNER)

Each audit has an assigned engagement quality control review (EQCR) partner with the appropriate experience. This role is one of the most important elements of our quality assurance process, as it provides for a timely, independent review of all key accounting and auditing issues. The EQCR partner also reviews the financial statements and related supporting documentation—including the disclosures—to evaluate their fair presentation under accounting principles generally accepted in the United States of America (GAAP).

INTERNAL QUALITY CONTROL REVIEWS AND EXTERNAL REVIEWS

Experienced partners and professional staff of our firm conduct quality control reviews of our audits. Our partners' work is reviewed annually, and the inspection process includes periodic testing of the effectiveness of our quality controls and a continuous improvement program.

- **Internal Inspection:** A permanent team of subject matter experts annually perform 150+ reviews of a risk-based sample of partners and engagements.
- **Continuous Process Improvement Reviews:** In addition to #1 above, this ongoing process reviews each audit partner twice annually, representing 300+ reviews each year.



CRI is enrolled in the AICPA Peer Review Program, through which our external reviews are conducted by another independent public accounting firm. We have our accounting and auditing practice triennially reviewed as a member in this program. A copy of our most recent external quality review (peer review) is provided in the APPENDIX. Additionally, we are registered with the PCAOB, who performs an external review inspection once every three years.

REFERENCES

Below we share specific, relevant client references; we encourage you to consult with them.

RELATIONSHIP	TIMELINE	SERVICE DESCRIPTION	RELEVANT POINTS TO CONSIDER
Town of Taos, NM Marietta Fambro Finance Director 575.751.2024	2009 – Present	▪ Financial Statement Audit ▪ Audit Federal Single Audit ▪ Financial Statement Preparation	▪ Utilities ▪ Client service experience ▪ Responsiveness to client needs ▪ Long-term relationship
City of Raton Michael Anne Antonucci Treasurer 575.445.9551	2015 – Present	▪ Financial Statement Audit ▪ Audit Federal Single Audit ▪ Financial Statement Preparation	▪ Utilities ▪ Client service experience ▪ Responsiveness to client needs ▪ Long-term relationship
City of Lovington Gary Lee Chapman Finance Director 575.396.2884	2006 – 2017	▪ Financial Statement Audit ▪ Audit Federal Single Audit ▪ Financial Statement Preparation	▪ Consulting ▪ Client service experience ▪ Responsiveness to client needs ▪ Long-term relationship

For an example of our team's expertise, watch a CRI video by partner Brian Barksdale discussing the Government-Wide Statement of Activities. Just snap this QR code with your mobile phone to download or visit CRIcpa.com to view one of our 100+ videos.

UNDERSTANDING & MEETING YOUR NEEDS

From the RFP and experience with Las Vegas, we understand Las Vegas has the following needs and/or requests. We've detailed our proposed solutions below and are happy to discuss other related projects as they arise and upon request.

	NEEDS & ISSUES	SOLUTIONS & SERVICES
Technical	Las Vegas is required to have an independent auditing firm conduct an audit of the general purpose financial statements and the combining, individual fund, and account group financial statements of the City of Las Vegas and the Housing Authority for the fiscal year ending June 30, 2018.	Perform a Financial Statement Audit in accordance with Generally Accepted Auditing Standards (GAGAS), Government Auditing Standards, and New Mexico State Auditor Rule 2.2.2 NMAC.
Technical	Las Vegas received and expended $750,000 or more in federal funding awards during the fiscal year ending June 30, 2018.	Perform a Federal Single Audit in accordance with OMB Uniform Guidance.
Technical	While Las Vegas' management contains the requisite knowledge, Las Vegas' staff does not have the time available to prepare the complete financial statements of Las Vegas.	Assistance with the preparation of Las Vegas' financial statements and notes to the financial statements in accordance with Governmental Accounting and Financial Reporting Standards (GASB).
	Las Vegas would like the selected IPA to perform the financial and compliance audit for the fiscal years ending June 30, 2018, 2019 and 2020.	Our practice unit has been providing audit services to New Mexico governmental entities since the mid-1990's; with three years of prior service to Las Vegas and look forward to providing another three years of service.
Technical	Management expects the auditing firm to provide advisory guidance to Las Vegas' management and staff on accounting and other technical matters.	Provide information and guidance to ensure Las Vegas is in compliance with any changes in governmental accounting and financial reporting standards. The Engagement Partner on this audit is on the AICPA's Technical Issues Committee and is at the forefront of any upcoming changes. In addition, CRI will work with Las Vegas on implementation of new GASB standards, namely 75 and 87, which will be a considerable undertaking by Las Vegas.
Relational	Las Vegas' management expects open and continuous communication with their CPA firm in order to avoid surprise findings at the end of the audit.	▪ Communicate directly with management regarding the results of our procedures. ▪ Anticipate and respond to concerns of management and or City Council

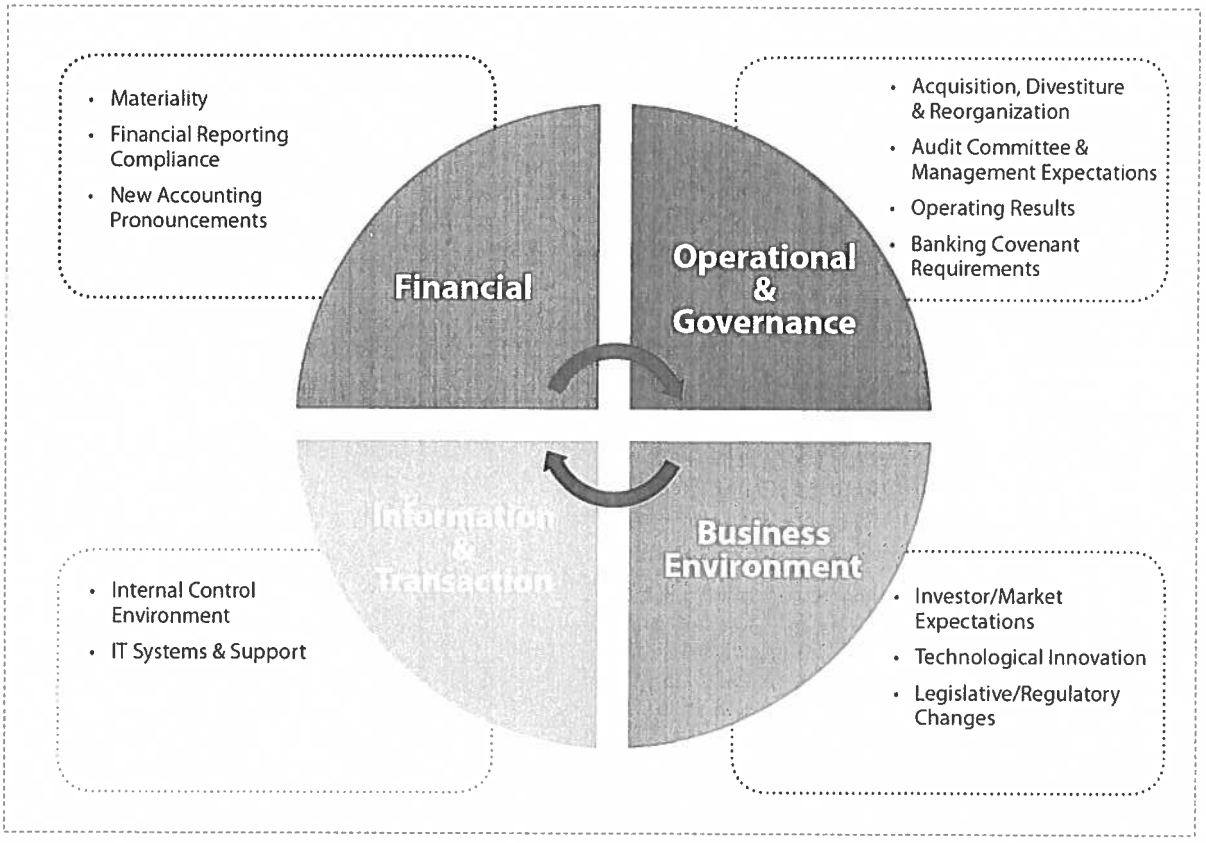
CRI AUDIT FRAMEWORK

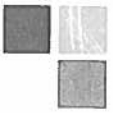
Our proposed services require a coordinated effort between us and Las Vegas's team. Planning and continual communication are essential to developing the appropriate procedures, working collaboratively to resolve any identified issues, and meeting your timelines.

CRI's audit approach occurs within a framework of our client's business and industry; therefore, we assess risk by:

- Understanding management's perspectives and goals, and
- Considering business conditions and threats that could prevent management from achieving its business objectives.

We assess risks in the following areas:





Our ultimate intent is to drill down from these broad risks to specific financial reporting risks. We understand both these risks and management's processes and procedures for mitigating them (i.e. internal controls) in order to develop our procedures to carry out our audit responsibilities.

Although our audits are conducted through a structured, risk-based model, we focus on understanding the client's needs, requirements, and expectations. We work collaboratively with management and the Audit Committee (or similar function) to develop a communication and work plan to continuously improve client service, by doing so we help in moving your team from simple **compliance** to providing you with a **competitive advantage**.

In planning, we concentrate on "key risks," (items with a greater risk of a material misstatement, a material weakness in internal controls, or other matters resulting in the issuance of an inappropriate audit report). We focus on "material" items (i.e. those items that would be important to the user of your financial statements). When evaluating materiality of identified misstatements, certain quantitative and qualitative factors must be considered—which may include:

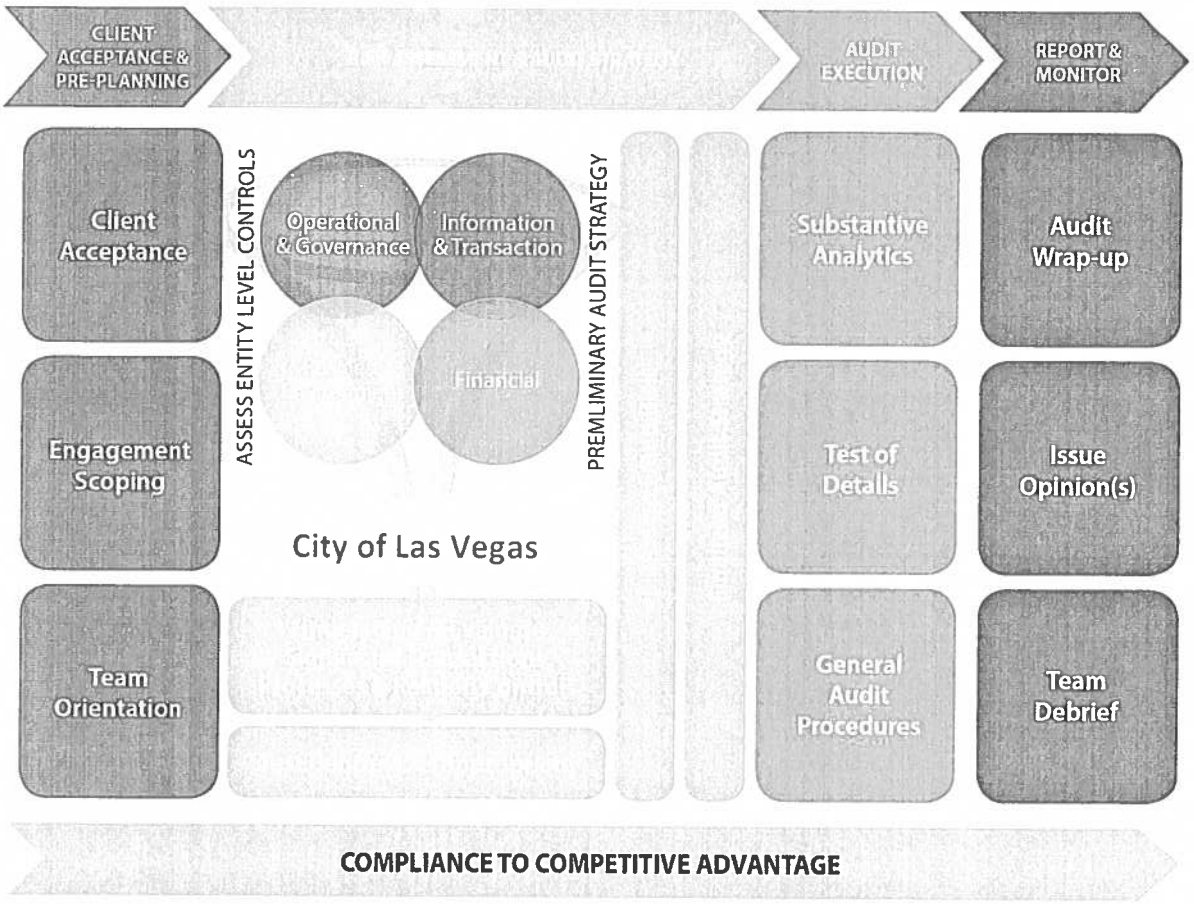
- Impact on operating trends (revenue/income, expenses, net income, etc).
- Nature of the misstatement (i.e., did the misstatement result from an unlawful transaction?).
- Impact on liquidity, capital/surplus, earnings capacity, etc.
- Impact to loan covenants and contractual and regulatory requirements.

Consistent communication is a key to completion of the audit. By ensuring constant involvement, we are in a better position to respond to your issues timely and efficiently. Therefore, we plan to meet with your management to:

- Set-up the audit by reviewing the mapping of Las Vegas' financial information (financial statements and notes) to significant processes and IT systems to ensure that all significant account balances, transactions, procedures, and systems are tested as deemed necessary.
- Discuss ongoing changes—specifically new accounting pronouncements and key business transactions in their early stages, enabling us to agree on the resolution of various complex business issues on a timely basis.

CRI AUDIT APPROACH

Our audit approach is a four stage approach, as depicted in the summary below. Our client acceptance and risk assessment procedures (as noted on the previous page) occur during detailed conversations and observations with your team. The results of those procedures allow us to tailor an audit program to your specific risks and needs. We then execute the audit, report the results, and evaluate continuous improvement opportunities for ongoing service and benefit to you.



Stage 1: Client Acceptance & Pre-planning

- Perform client acceptance procedures where necessary.
- Collaborate with management to agree to expectations and scope.
- Assign appropriate staff to engagement based on client needs and assessed risk.

Stage 2: Risk Assessment & Audit Strategy

- Interview client personnel and others, as necessary to understand client-specific objectives and risks.
- Assess environmental and other external risks and potential impact on the audit planning.
- Assess entity level controls including: control environment, risk assessment, information & communication, and monitoring controls.
- Assess management's fraud and IT risk assessment models. Develop independent fraud and IT risk assessment.
- Assess IT General Computer (ITGC) controls, such as IT Environment, Developing & Delivering IT, and Operating IT & Monitoring IT.
- Assess materiality.
- Perform preliminary analytical procedures.
- Map financial statements to significant transactions, processes, IT systems and related controls.
- Develop understanding of significant processes and related controls.
- Determine existence of/reliance on SSAE 16 (formerly SAS 70(s)).
- Test controls including ITGC, as and if deemed appropriate. Tests will include a mix of:
  - inquiry,
  - observation,
  - examination and
  - re-performance.
- Determine reliance on Internal Audit, if applicable (e.g. controls or detailed tests).
- Determine reliance on specialist(s), if applicable (e.g. valuations, pension costs, etc.).
- Finalize risk assessments and develop final audit strategy.

Stage 3: Audit Execution

- Where possible, develop detailed analytical procedures to use as substantive tests to reduce tests of details. Examples include:
  - ratio analysis,
  - regression analysis,
  - trend analysis,
  - predictive tests or
  - reasonableness tests.
- Where possible utilize Computer-Assisted Audit Techniques (CAATs), such as IDEA or ACL to automate testing for more coverage and less disruption to the client.
- Where possible, perform targeted testing (also known as "coverage" testing) of account balances to tests large portions of account balances.
- Perform tests of details, including sampling, if applicable or necessary.
- Perform general audit procedures, as and if applicable, such as tests related to:
  - commitments and contingencies,
  - legal letters,
  - management representations,
  - reviews of Board minutes,
  - related party transactions,
  - debt covenants and
  - going concern.
- Perform other tests for compliance such as Yellow Book or Single Audit Tests.

Stage 4: Report & Monitor

- Continually monitor the audit and provide feedback as agreed during scoping or more frequently, as deemed appropriate.
- Conclude the audit (i.e. issue opinions and/or reports).
- Develop and present required communications, including management letter comments.
- Perform an internal team de-briefing to identify areas for improvement.
- Welcome the opportunity for an external de-briefing with our clients to improve.

PROPOSED AUDIT STRATEGY

GAAP provides a conceptual framework for accounting, financial reporting, and disclosure. Your application of GAAP varies depending on your facts and circumstances—and interpretations.

Our general audit approach as described above is tailored to address the nature and inherent risk of each area. For significant areas, we will:

- Meet with management to gain an understanding of management's processes and controls.
- Assess and test such controls, as necessary.
- Perform substantive analytical audit procedures and tests of details, as appropriate.

In certain complex areas, we may use functional specialists (e.g. information technology [IT], valuation of investments, and review of actuarial assumptions and calculations) to assist in the evaluation of complicated transactions and judgmental account balances. Additionally, we will review the financial statement disclosures and evaluate the overall transparency of Las Vegas' financial reporting.

Taking into account various items related to Las Vegas, such as—but not limited to—industry expertise, knowledge of your organization, preliminary risk assessments, materiality, and the judgmental nature of the accounts, we have outlined below the key areas of audit focus and our proposed strategy.

PROPOSED AUDIT STRATEGY						
			Substantive Procedures			
Significant Areas	Level of Risk	Test of Controls	Analytics	Test of Details	Use of CAATs	Notes
Fraud risks	Medium	✓	✓	✓	✓	- Will meet AICPA requirements of fraud testing. - Fraud is considered an intentional act that results in a material misstatement of the financial statements. - We will gather information to identify risks of material misstatement due to fraud, and evaluate processes that address fraud.
Financial reporting	Medium	✓		✓	✓	- Period-end financial reporting is critical; financial reporting compiles/reconciles detailed information from underlying processes and systems.
Other estimates and contingencies	Medium		✓	✓		- Compensated absences – we will perform tests of details and substantive analytics to substantiate accuracy of account balance.
Manual journal entries	Medium	✓		✓	✓	- Manual journal entries are risky.
Entity level controls	Medium	✓				- We will gain an understanding of the control environment, risk assessment, monitoring, information and communication channels to determine the nature, timing, and extent of reliance on and tests of controls; we use all of the above to build the audit approach. - Our goal is to leverage management's processes to the degree possible, which increases efficiency.
IT systems	High	✓	✓	✓	✓	- Underlying financial and operational systems supporting the key business cycles play a critical role in the ability to generate and compile complete and accurate financial data. - The IT security, computer operations and program change controls for financially significant applications are vital.
Capital assets and related expenditures	Medium		✓	✓	✓	- Capital assets are significant due to the account balance and susceptibility to misappropriation.

PROPOSED AUDIT STRATEGY						
			Substantive Procedures			
Significant Areas	Level of Risk	Test of Controls	Analytics	Test of Details	Use of CAATs	Notes
Accounts payable and related expenditures	Medium		✓	✓	✓	- Accounts payable are significant due to the account balance and number of transactions impacting accounts payable and the related expense accounts.
Payroll, related liabilities and payroll expenditures	Medium	✓	✓	✓	✓	- Payroll liability accounts and related expenditures are significant due to the account balance and payroll expenditures comprise a significant portion of Las Vegas' expenditures.
Long-term debt / debt covenants	Medium		✓	✓		- Debt may be significant due to the size of account balance and covenants associated with debt. - We will perform tests of compliance through substantive analytics and confirmation of certain data with creditors and other third-parties.
Deferred revenue	Medium		✓	✓		- Deferred revenue is significant due to the size of account balance.
Revenue recognition (including utilities and housing)	High	✓	✓	✓	✓	- We will test revenue systems and processes and perform a combination of substantive analytical procedures and tests of details to test this area.
Cash and cash equivalents	Low			✓		- Cash is significant because of the large account balance and number of transactions impacting account.
Accounts receivable (including utilities and housing)	High	✓	✓	✓	✓	- Accounts receivable are significant due to the account balance, number of transactions and issues related to estimates associated with the allowance for doubtful accounts.

PROPOSED AUDIT TIMING

The following graphs depict the timing and key elements of our typical audit process. We anticipate the engagement starting on May 15, 2018, or upon contract signing, and ending with the delivery of the audit report no later than December 15, 2018. The Financial statements of the Housing Authority will be completed by December 1, 2018.

TIMING OF AUDIT PROCEDURES														
PHASE	2018										2019			
	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
Client Acceptance & Pre-Planning														
Appointment of audit firm														
Ongoing consultation on major issues and developments														
Meet with management to discuss business risks and scope														
Hold CRI engagement team planning meetings														
Risk Assessment & Audit Strategy														
Gain understanding of significant processes and key controls														
Perform testing of key controls to reduce substantive testing														
Determine nature, timing and extent of substantive procedures														
Perform selected substantive procedures as of interim date														
Finalize and communicate plan to management/governance														
Audit Execution														
Conduct remaining substantive tests based on the results of audit procedures performed to date														
Discuss results of audit work with management														
Report & Monitor														
Review annual report														
Meet with management/governance to discuss results of audit														
Issue audited financial statements														

PLANS FOR AGENCY STAFF

Our plan is to work closely with Las Vegas', and the Housing Authority's, management and staff to develop an integrated audit effort that results in coverage of all appropriate areas. We will conduct interviews with your staff to further develop our understanding of Las Vegas and its fiscal environment. We will provide a list of items needed prior to and during fieldwork. During our audit process we may from time to time need additional information or to follow-up with any questions that arise during the audit process.

We plan on working collaboratively in the field with Las Vegas throughout the engagement. We will work in an organized manner, with significant preparation occurring prior to our arrival on-site. Our service model has been built on the premise that we know your day-to-day duties do not pause during the audit fieldwork. We have structured the team, conducted specialized training, and incorporated planning mechanisms to ensure you have a seamless experience with CRI.

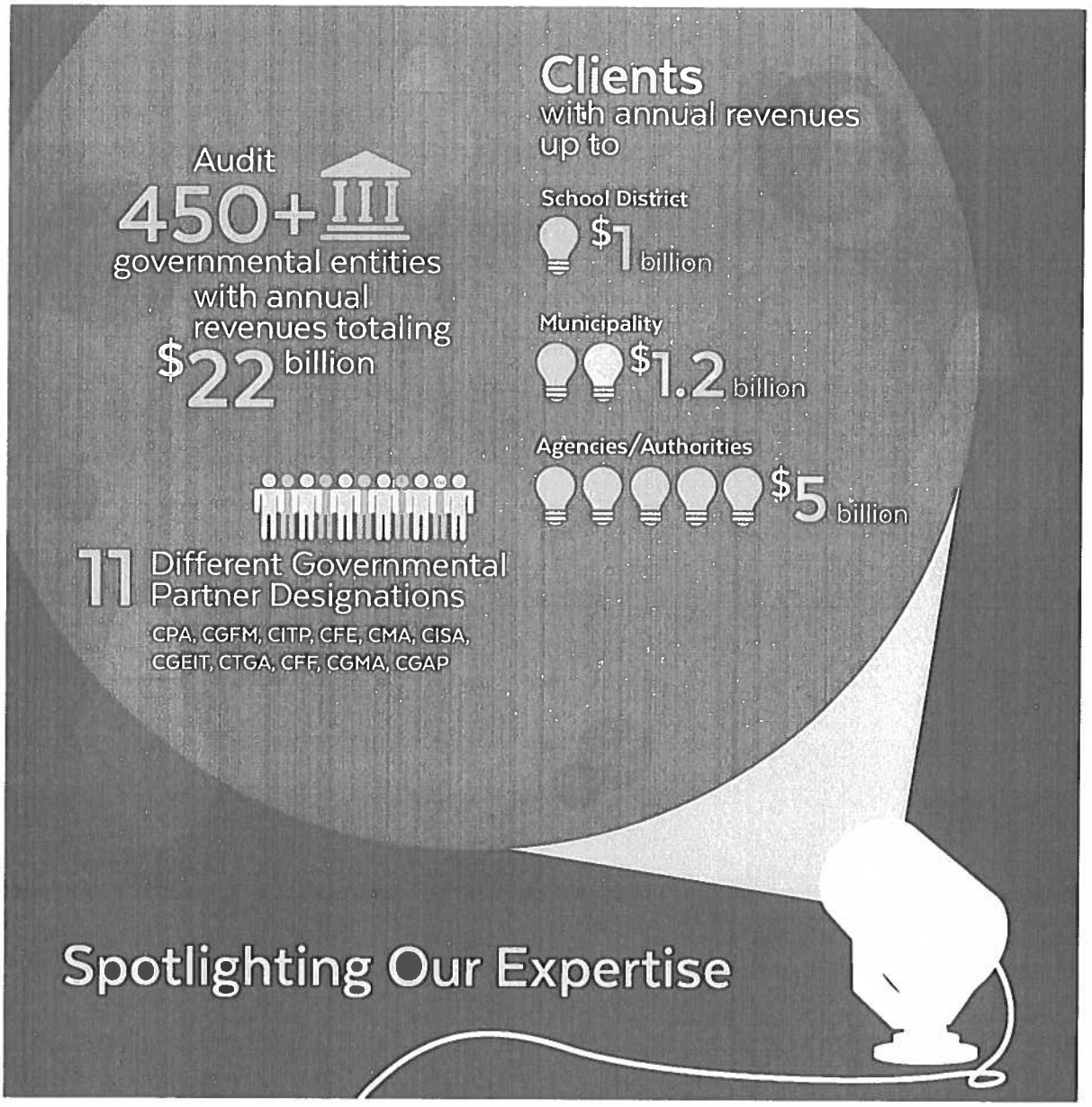
SUBSEQUENT YEARS

As part of our philosophy of constant improvement, we will meet with Las Vegas', and the Housing Authority's, management after the audit to capture improvement ideas while they are fresh in the minds of the individuals who were involved.

As the subsequent year-end approaches we will meet again to ensure the ideas we came up with are still applicable and develop a plan to implement those improvements. The plan is not to focus on negative areas or events of the audit, but to analyze areas and events that were successful, and use the gained knowledge and apply it where it is needed.

We review and refine our audit approach each year to compensate for changing conditions, changing risk, or special emphasis on matters as requested by our clients. We begin to plan, with you, the next year's audit at the exit conference of the current year's engagement so that our multi-year arrangement will be smooth and continually improving.

GOVERNMENT CREDENTIALS



"During the 7 years we have worked with Carr, Riggs & Ingram, I have found that their team has tremendous expertise in local government financial operations. They have demonstrated a keen understanding of our risks and worked with our city officials to develop sensible solutions to mitigate those risks. Moreover, they have provided us with a number of suggested "best practices" in day-to-day operations and have helped document the way we do things. I can say without question that Carr, Riggs & Ingram has truly made a measurable difference for the City of Moultrie and its finance department. I would recommend them for any work for which they are under consideration."

Gary McDaniel, Finance Director
City of Moultrie, Georgia

RELEVANT EXPERIENCE

CRI delivers a depth of resources that ensures our understanding of your challenges and innovative solutions for overcoming them. Our governmental team's combined experience is derived from providing financial and single audit services to a client base that includes more than 450 governmental entity clients totaling approximately $22 billion in total revenues. We parlay this vast experience and derived best practices into proven solutions that benefit you.

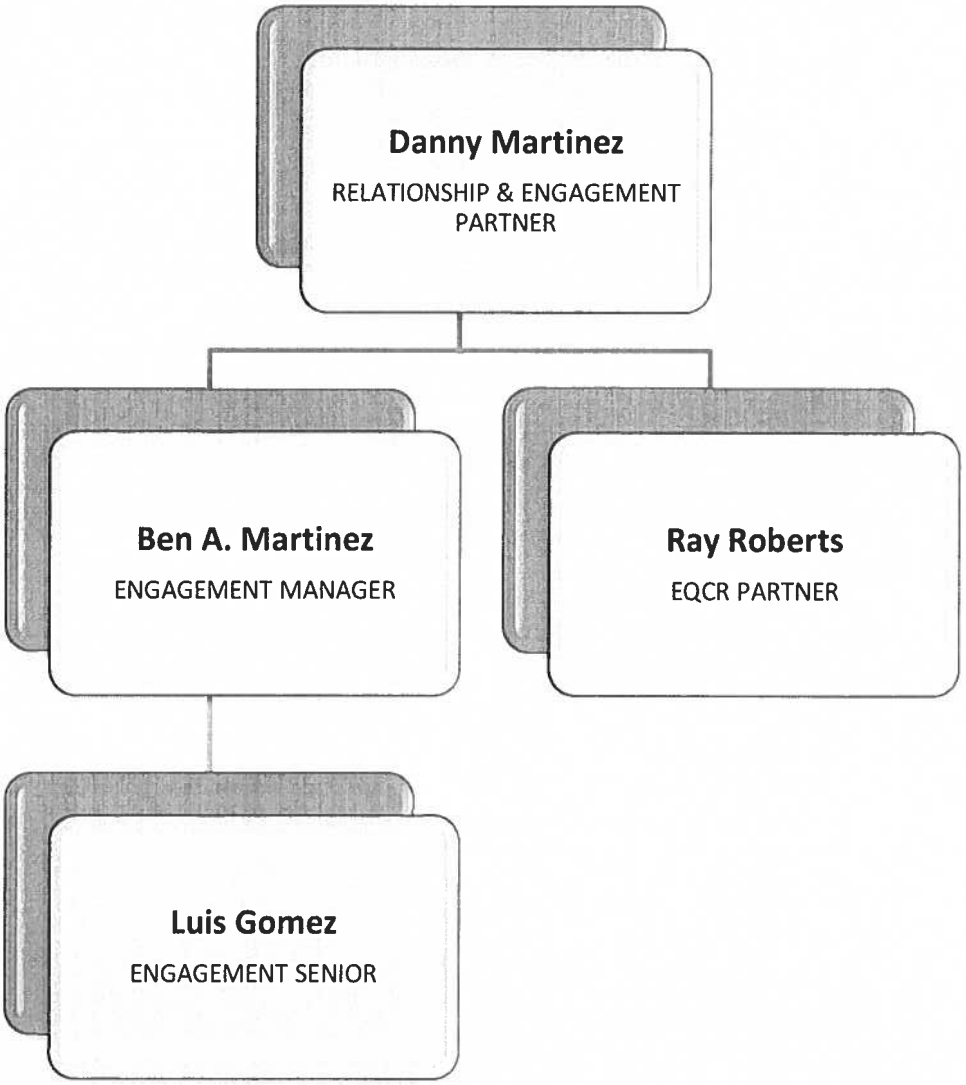
The CRI Albuquerque office, which will be primarily responsible for this engagement, has extensive experience planning, coordinating, preparing, and submitting audit engagements, and the related required reports, for government entities such as Las Vegas. The Albuquerque office currently provides professional auditing services to approximately 55 government entities annually, which included 12 municipalities last year alone. A listing of our recent New Mexico municipality and housing authority experience, and the fiscal years we have audited includes:

- City of Alamogordo: 2015 - 2017
- City of Anthony: 2015 - 2017
- City of Aztec: 2017
- City of Belen: 2009 - 2015
- City of Deming: 2011 - 2016
- City of Espanola: 2012 - 2017
- City of Eunice: 2015 - 2017
- City of Hobbs: 2011 - 2016
- City of Las Vegas: 2015 - 2017
- City of Lovington: 2006 - 2017
- City of Raton: 2015 - 2017
- City of Santa Fe: 2014 - 2016
- City of Sunland Park: 2012 - 2016
- City of Truth or Consequences: 2011 - 2015
- City of Tucumcari: 2017
- Clovis Housing & Redevelopment: 2014 - 2017
- Fort Sumner Housing Authority: 2010 - 2015
- Mesilla Valley Public Housing Authority: 2012 - 2017
- Northern Regional Housing Authority: 2014 - 2017
- Town of Taos: 2009 - 2017
- Truth or Consequences Housing Authority: 2017
- Village of Cloudcroft: 2010 - 2015
- Village of Corrales: 2017
- Village of Fort Sumner: 2006 - 2015

YOUR SOLUTION TEAM

We have assembled a team of professionals who will ensure the highest level of personal dedication and professional excellence to you. Our team delivers exceptional services through a balanced blend of skills (service-driven, industry-specific, technical, and business) and experience that we know are important to you.

Brief profiles of each member of the team identified below follow on subsequent pages.



Danny Martinez, CPA, CGFM, CGMA
Engagement Partner

505.883.2727 phone dmartinez@CRIcpa.com

Representative Clients

- City of Albuquerque, NM
- City of Las Cruces, NM
- City of Las Vegas, NM
- City of Aztec, NM
- City of Espanola, NM
- Town of Taos, NM
- City of Lovington, NM

Experience

Danny is a partner with eleven years of government audit experience. He has provided audit, consulting, and training services to numerous governmental entities, including Las Vegas, and other counties of varying sizes and complexities. Danny is also on the AICPA's PCPS Technical Issues Committee as a Zone 2 and Zone 3 (GASB) Member and has received the AICPA's Advanced Single Audit Certificate.

Danny's experience includes audit engagement planning, fieldwork, supervision and financial reporting as well as providing consulting services to governmental entities, including New Mexico's largest municipality, City of Albuquerque. In addition, he has recently presented at Association of Government Accountants conferences on technical accounting issues.

Danny has excelled in developing outstanding relationships with his clients and providing the advisory services necessary to help them succeed. He will be available year-round for client questions.

Education, Licenses & Certifications

- BS, Accounting, University of Southern California
- Certified Public Accountant
- Chartered Global Management Accountant
- Certified Government Financial Manager
- AICPA Advanced Single Audit Recipient

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- New Mexico Society of Certified Public Accountants (NMSCPA)
- Association of Government Accountants
- AICPA Technical Issues Committee Member

Ray Roberts, CPA, CM&AA
EQCR Partner

505.883.2727 phone
505.331.5555 mobile

rcroberts@CRIcpa.com

Representative Clients

- City of Alamogordo
- City of Artesia
- City of Belen
- City of Bloomfield
- City of Deming
- City of Española
- City of Eunice
- City of Gallup
- City of Hobbs
- City of Jal
- City of Las Vegas
- City of Lovington
- City of Raton
- City of Roswell
- City of Santa Fe
- City of Sunland Park
- City of Truth or Consequences
- Town of Taos
- Village of Cloudcroft
- Village of Fort Sumner

Experience

Ray is the Partner in Charge of our practice unit. He has been performing financial audits throughout the region for the past 33 years, with a special focus on government entities. He currently performs the final review of audit engagement procedures and will be available for client questions and consultation on an annual basis, not just during the active engagement period.

Ray has been a guest lecturer on many topics including Peer Review, GASB, workpaper preparation, and A & A updates for the NMSCPA, AICPA, and other government specific organizations.

Education, Licenses & Certifications

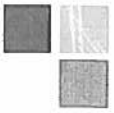
- BBA, Accounting, University of Texas at El Paso
- Certified Public Accountant

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- AICPA, Division for C.P.A. Firms, Securities Exchange Commission Practice Section
- New Mexico Society of Certified Public Accountants (NMSCPA)

Professional Activities

- Chairman of the NMSCPA Peer Review Committee – 2nd Term
- Past member of the AICPA Professional Ethics Executive Committee
- Past member of the Auditing Standards Board clarity project task force
- Past chair of the AICPA Government (Zone 3) Technical Issues Committee
- Past chairman of the Oversight Task Force of the AICPA Peer Review Board
- Past member of AICPA Peer Review Board & PCPS Peer Review Committee
- Past member and Governmental chairman of the PCPS Technical Issues Committee



Benjamin A. Martinez, CPA
Engagement Manager

505.883.2727 phone bmartinez@CRIcpa.com

Representative Clients

- City of Santa Fe, NM
- City of Aztec, NM
- City of Alamogordo, NM
- City of Tucumcari, NM
- City of Gallup, NM
- City of Hobbs, NM
- Town of Dexter, NM

Experience

Ben has ten years of experience, specializing in serving state and local governmental entities. His experience includes fund reporting, Uniform Grant Guidance compliance, internal controls, budgeting, and other agreed-upon procedures.

Ben also has extensive experience auditing housing authorities, including the auditing of programs under both the U.S. Department of Housing and Urban Development, and the U.S. Department of Agriculture – Rural Development. Ben serves as the reviewer for the annual Public Housing Assessment System (PHAS) submissions for each of our clients, and performs the firm's IPA Certifications. Ben stays up to date with changes to housing authority programs by attending local, regional, and national conferences related to these programs.

As manager, Ben will assist in the implementation of the audit plan and be a resource to Las Vegas throughout the year. Ben will also be key in the implementation of GASB 75 as he has already worked with other clients in the implementation of the new OPEB standards.

Education, Licenses & Certifications

- BBA, Accounting, University of New Mexico
- Certified Public Accountant

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- New Mexico Society of Certified Public Accountants (NMSCPA)

Luis Gomez
Engagement Senior

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Representative Clients

- City of Las Vegas, NM
- City of Raton, NM
- Town of Taos, NM
- City of Belen, NM
- City of Española, NM
- City of Santa Fe, NM
- City of Aztec, NM
- City of Tucumcari, NM

Experience

Luis has spent his entire auditing career specializing in serving state and local governmental entities regionally. His experience includes fund reporting, Single Audit Uniform Grant Guidance compliance and municipal electric utility audits. Most recently, Luis worked with the City of Las Vegas, NM, through some complex utility revenue and receivable issues.

Luis serves as the engagement senior for our largest city clients and he will bring the expertise and project management skills to your audit. He will also be available year-round to consult and assist on any accounting issues the city may face.

Education, Licenses & Certifications

- BBA, Accounting, University of New Mexico

Professional Activity

- New Mexico Society of Certified Public Accountants (NMSCPA)
- Association of Government Accountants

CONTINUING PROFESSIONAL EDUCATION

CRI understands comprehensive training is integral to help shape employee success and that the quality of a professional services firm is determined by its people and the firm's investment in them. Therefore, we have a comprehensive plan to provide quality training to our team and ensure high quality services are routinely provided to you. This plan includes:

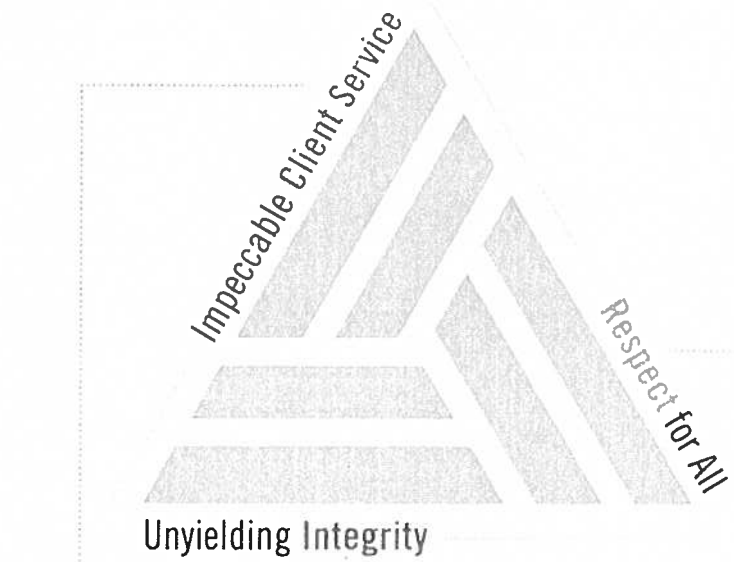
- Technical Training at CRI's CPE Week: Firm-wide event enabling collaboration and networking along with over 100 in-house training sessions, including sessions specific to government auditing and accounting, single audits, and managing audit engagements.
- IT Audit Schools: We are investing in the future of audit with three progressive levels of training taught by AICPA leaders.
- CRI's Leadership Academy: Over 10 sessions related to teamwork, delegation, and business writing for emerging leaders.

Our team works to ensure all audit staff meet or exceed the yellow book continuing professional education requirements. As an example, provided below is a list of all the CPE earned by Engagement Manager Benjamin A. Martinez during the 2016 and 2017 calendar years. Full listings for the rest of the engagement management team will be provided upon request.

CPE Listing for Benjamin Martinez, CPA			
Course Description	**Dates**	**Governmental CPE Hours**	**Non-Governmental CPE Hours**
Understanding/Reviewing GASB 68	9/15/2017	1	
HUD Update	8/4/2017	3	
Single Audit Basics	7/7/2017	2.5	
AHACPA Public Housing Authority Conference	6/9/2017	5	11
RPC A&A Level 1 Training	5/25/2017		15
A&A Level 2 - In-Charge Training	5/10/2017	7	9
2017 Audit Rule Requirements for Contracting and Conducting Audits of Agencies (2.2.2 NMAC)	4/7/2017	3	
RPC A&A Training	3/17/2017		6.5
Single Audit - Best Practices	6/24/2016	2.5	
Summer A&A New Team Member Training	6/2/2016	3	1
Summer A&A New Team Member Training TEACH	6/2/2016	9	
RPC Summer A&A Training	5/31/2016	4.5	6.5
Compliance, UGG, GAGAS, and More	5/25/2016	6.5	1.5
AICPA, GASB, and State Updates	5/24/2016	4.5	3
Threats, Risks, and Ethics	5/23/2016	1.5	5
AuditWatch 4	4/26/2016		24
March A&A Training	3/25/2016		3
	Totals	**53**	**85.5**

SHARING CRI'S VALUES WITH YOU

We are proud of our hands-on, service-centric, and results-oriented approach. Combining that approach with quality controls and superior talent allows us to help you achieve your goals and strengthen your management systems and processes. This approach is further emphasized through our three core values which guide our team's behavior and function as the foundation for interactions with our clients and each other.



CLIENT SERVICE

Defining our brand by meeting or exceeding the highest expectations of our clients.

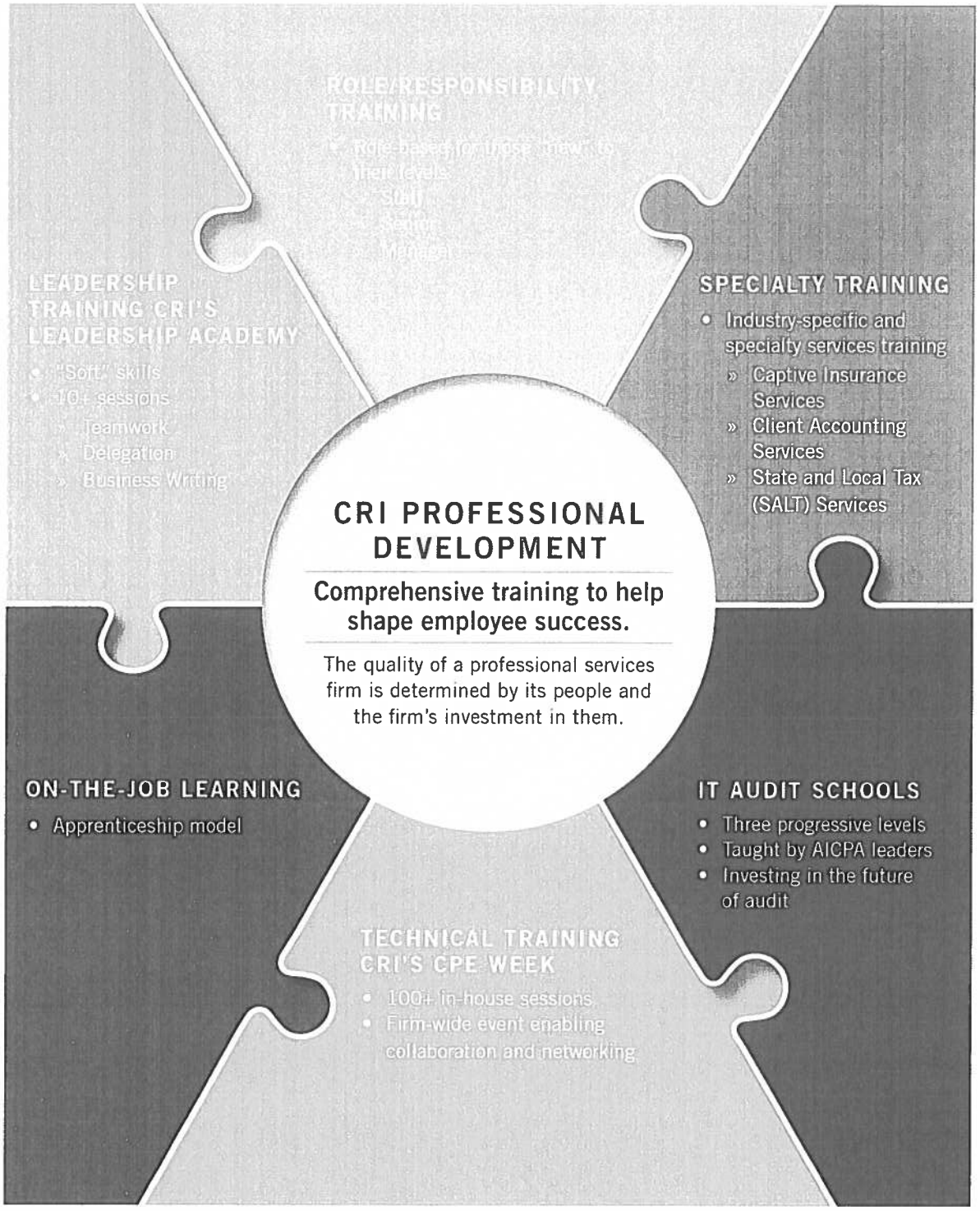
INTEGRITY

Living with integrity, transparency, and honesty.

RESPECT

Building productive, long-term relationships with each other that are based on mutual respect, trust, and sharing.

DELIVERING QUALITY TO YOU



JOINING OUR CONVERSATION

WEBSITE

CRI shines a light on best practices via thousands of articles, videos, informative charts, and descriptive testimonials. With sections dedicated to illuminating insights by industries and services, our easy-to-navigate website highlights trending topics that detail new standards, changing regulations, and other current business topics. From cybersecurity to the new revenue recognition standard, we are ready to proactively answer your questions.

CRInsights

CRInsights are your doorway to in-depth yet down-to-earth explanations of complex topics. We understand that just because a topic makes perfect sense to a CPA doesn't mean that it should to our clients.

- The Busy CFO & Controller's Toolkit for Successfully Implementing the New Revenue Recognition Standard
- 6 Key Ways to Strengthen Your Cybersecurity Posture
- Back to Basics: 5 Key Financial Considerations for Construction Companies
- The Not-for-Profit's Guide to Fraud Prevention

NEWSLETTER

Our team is dedicated to keeping our clients informed, and we prove it by creating a custom monthly e-newsletter with widely-applicable topics. The articles are designed to help you improve your business and personal finances. Popular topics include:

- 3 Things To Improve Business Operations Immediately
- Financial Statement Audits Aren't Designed to Identify Fraud
- Are You a Big "Phish?" Protect from Cybersecurity Whaling Attacks
- You Might Have Money Hiding In Plain Sight

Sign up at CRIcpa.com.

IMPROVEMENT - RESPONSE TO PEER REVIEW REPORT

One improvement our firm has had made is in relation to our peer review. In response to recommendations made by the peer reviewer, CRI worked our newly acquired Albuquerque SPU (formerly RPC CPAs + Consultants, LLP) in order to implement a multi-tier review process for all audit engagements with Single Audits. All single audits, firm-wide, are subjected to an additional layer of review by our Single Audit specialist, Gwen Vogt who is located in our Albuquerque Office and is scheduled to assist the engagement team with any technical guidance related to the federal awards received by Hobbs Schools. Further details on this change is provided in our response to the Peer Review Report in the APPENDIX.

YOUR SERVICES & FEES

We value creating mutually-rewarding, long-term relationships with our clients. Our goal is to provide high quality, responsive service that yields returns far greater than your investment in our professional fees. Please find below our proposal of fees to provide the requested services for the upcoming three respective fiscal years. The composite rate provided below includes personnel services, travel and other out-of-pocket audit-related expenses, and a discount from our standard hourly rates. New Mexico gross receipts taxes will be shown separately on your invoices.

SERVICE	CRI FEES		
	FYE 6/30/18	FYE 6/30/19	FYE 6/30/20
Financial Statement Audit	$65,000	$65,000	$65,000
Federal Single Audit	6,250	6,250	6,250
Financial Statement Preparation and Printing Assistance	6,250	6,250	6,250
Component Unit (Housing Authority)	10,000	10,000	10,000
Other Non-Audit Services	-	-	-
Subtotal	87,500.00	87,500.00	87,500.00
NM Gross Receipts Tax (7.5%)	6,562.50	6,562.50	6,562.50
Total Compensation	**$94,062.50**	**$94,062.50**	**$94,062.50**

Our professional fees are based on the key assumptions that Las Vegas will:

- Make documents and work papers available for review at Las Vegas' headquarters location, although we may choose to review at alternate locations.
- Prepare certain schedules and analyses and provide supporting documents as requested.
- Assist us in further developing our understanding of the accounting systems of Las Vegas.
- Not experience a significant change in business operations or financial reporting standards.

OFFEROR INFORMATION

OFFEROR: Carr, Riggs & Ingram, LLC

AUTHORIZED AGENT: Danny Martinez, CPA, CGMA, CGFM

ADDRESS: 2424 Louisiana Blvd. NE Suite 300

TELEPHONE NUMBER: (505) 883-2727

FAX NUMBER: (505) 884-6719

DELIVERY: n/a

NEW MEXICO TAX IDENTIFICATION NUMBER (CRS): 03-393946-00-2

FEDERAL TAX ID NUMBER: 72-1396621

NEW MEXICO CONTRACTORS LICENSE NO.: L1550146352

SERVICE(S): **2018-2019-2020 ANNUAL AUDIT SERVICES**

THE CITY OF LAS VEGAS RESERVES THE RIGHT TO REJECT ANY OR ALL PROPOSALS AND TO WAIVE ANY TECHNICAL IRREGULARITY IN THE FORM.

AFFIDAVIT FOR FILING WITH COMPETITIVE PROPOSAL

STATE OF New Mexico }

COUNTY OF Bernalillo }

I, Danny Martinez of lawful age, being of first duly sworn in oath, say that I am the agent authorized by the offerors to submit the attached proposal. Affiant further states that the offeror has not been a party to any collusion among offerors in restraint of freedom of competition by agreement to a fixed price or to refrain from submitting a proposal; or with any city official or employee as to the quantity, quality or price in the prospective contract, or any other terms of said prospective contract; or in any discussion between offerors with any City official concerning an exchange of money or any other thing of value for special consideration in the letting of a contract.

Signature

Subscribed and sworn to before me, this 11 day of April, 2018

(SEAL)

/signed on original/
Notary Public Signature

My Commission Expires: _____

NON-COLLUSION AFFIDAVIT OF PRIME CONTRACTOR

STATE OF New Mexico }

COUNTY OF Bernalillo }

I, Danny Martinez being first duly sworn, depose and say that:

(1) He/She is the Partner of Carr, Riggs, & Ingram, LLC the Bidder that has submitted the attached Bid.

(2) He/She is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid.

(3) Such Bid is genuine and is not a collusive or sham Bid.

(4) Neither the said Bidder nor any of its partners, officers, owners, agents, representatives, employees, or parties in interest, including this affidavit, has in anyway colluded, conspired, connived or agreed, directly or indirectly with any Bidder, firm, or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such contract, sought by agreement or collusion or communication or conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overhead, profit or cost element of the Bid price or the Bid price of any other Bidder or to secure through any collusion, conspiracy or conveyance or unlawful agreement any advantage against the owner or any person interested in the proposal Contract; and

(5) The price or prices quoted in the attached Bid are fair and are not tainted by any collusion, conspiracy, conveyance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees or parties of interest, including this affiant.

/s/ _____

Subscribed and sworn to before me, this 11 day of April, 2018

NOTARY PUBLIC: /signed on original/ My commission Expires: _____

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to Chapter 81, Laws of 2006, any prospective contractor seeking to enter into a contract with any state agency or local public body must file this form with that state agency or local public body. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars ($250) over the two year period.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

"Applicable public official" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

"Campaign Contribution" means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

"Contract" means any agreement for the procurement of items of tangible personal property, services, professional services, or construction.

"Family member" means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

"Pendency of the procurement process" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

"Person" means any corporation, partnership, individual, joint venture, association or any other private legal entity.

"Prospective contractor" means a person who is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

"Representative of a prospective contractor" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(The above fields are unlimited in size) _____

_____ _____
Signature Date

_____
Title (position)

—OR—

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS ($250) WERE MADE to an applicable public official by me, a family member or representative.

_____ April 11, 2018
Signature Date

Partner
Title (Position)

PEER REVIEW REPORT

System Review Report

To the Partners of Carr, Riggs & Ingram, LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Carr, Riggs, & Ingram, LLC (the "firm") applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and 2 engagements].

We noted the following deficiency during our review:

1. Deficiency – The firm's quality control policies and procedures with respect to engagement performance, including engagement partner review, as well as firm training for partners and staff, do not provide partners and staff with a means of ensuring that all necessary procedures are performed and/or procedures performed are appropriately documented, in the performance of Single Audit engagements. As a result, we identified performance and documentation deficiencies in each of the Single Audit engagements reviewed, and in the case of several engagements, deficiencies such that the engagements were considered to not have been performed in accordance with professional standards in all material respects.

   Recommendation – The firm should provide appropriate training to all firm personnel assigned to Single Audit engagements to ensure an understanding of the procedures required to be performed, as well as related documentation requirements. We also recommend that the firm consider whether additional quality control policies should be implemented with respect to these engagements, including a requirement for EQCR to be performed on all Single Audit engagements and the establishment of defined qualification requirements to serve as an engagement partner on Single Audit engagements.

www.eidebailly.com
300 Nicollet Mall, Ste. 1300 | Minneapolis, MN 55402-7033 | T 612.253.6500 F 612.253.6600 | EOE

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of Carr, Riggs, & Ingram, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Carr, Riggs, & Ingram, LLC has received a peer review rating of *pass with deficiency*.

Eide Bailly LLP

Eide Bailly LLP
March 7, 2017

RESPONSE TO PEER REVIEW REPORT

Carr, Riggs & Ingram, LLC
901 Boll Weevil Circle
Suite 200
Enterprise, AL 36330

(334) 347-0088
(334) 348-1356 (fax)
CRIcpa.com

June 22, 2017

National Peer Review Committee of the
Association of International Certified Professional Accountants
220 Leigh Farm Road
Durham, NC 27707

Re: 2016 Peer Review of Carr, Riggs & Ingram, LLC

Ladies and Gentlemen:

This letter represents our response to the report issued in connection with the peer review of the firm's system of quality control for the accounting and auditing practice in effect for the year ended June 30, 2016. The corrective actions discussed in this letter will be monitored to ensure that they are effectively implemented as part of our system of quality control.

We believe that we have strong policies and procedures, as well as training; we believe that this is demonstrated by the fact that in November 2016 (based on our continuous monitoring and annual internal inspection), we communicated our two-part plan to (1) transition our audit approach from a general firm approach to more a more industry-specific focus and (2) modification and development of courses to address issues identified during monitoring. We believe these actions are sufficient to address the matters found in our internal monitoring functions and the peer review process.

Quality Control and Process Changes – The firm instituted a plan to:

1. transition all Single Audit engagements to centralized team lead by select partners, who would carry-out a stream-lined, focused industry-specific version of our audit approach;
2. require the use of selected tools and practice aids to document procedures, specifically designed for Single Audit engagements; and
3. require, prospectively, an EQCR by a firm-designated specialist for all Single Audit engagements.

These policy and procedure changes were being implemented prior to the current recommendation by the Peer Review team.

Training – An EQCR training session and a Single Audit Specialist training session for these teams were held with our designated partners and EQCRs in April 2017. Those courses as well as mandatory May 2017 CPE Week Single Audit courses (developed and facilitated with external instructors from a firm that provides AICPA Enhanced Oversight) focused on our audit methodology, as well as expected use of newly implemented tools, in these areas:

(1) Common Governmental Audit Deficiencies,
(2) Single Audit Case Study (walkthrough of an actual case study),
(3) Single Audit Practical Exercises (focus on risk assessment and linkage to procedures), and

(4) Process and Internal Control Documentation for Governmental Entities.

Monitoring – We will monitor these corrective actions through emphasis in our monitoring procedures and internal inspection. In addition to this internal emphasis, and while we believe our internal monitoring to be robust and effective, we have voluntarily engaged an independent AICPA Enhanced Oversight reviewer to supplement our normal internal monitoring function during the early stages of adoption.

We believe these actions are responsive to the findings of the review.

Please contact Jon Heath at 334.348.1320 with any questions regarding the details of our response.

Respectfully submitted,

Carr, Riggs & Ingram, L.L.C

Carr, Riggs & Ingram, LLC

HINKLE + LANDERS

Certified Public Accountants + Business Consultants

CITY OF LAS VEGAS

PROPOSAL FOR AUDIT SERVICES

For the Years Ended
June 30, 2018, 2019 and 2020

2500 9th St. NW, Albuquerque, NM 87102 · 505.883.8788 · www.HL-cpas.com

LETTER OF TRANSMITTAL

Date:	**April 13, 2018**
Offeror:	**Hinkle + Landers, PC** Main Office 2500 9th St. NW Albuquerque, NM 87102 Santa Fe Office 404 Brunn School Rd. Building B Santa Fe, NM 87505
Federal Tax ID:	**85-0232815**
New Mexico CRS Number:	**01-808142-00-8**
Primary Contact & Person Authorized to Negotiate:	**Farley Vener, CPA, CFE, CGMA** President & Managing Shareholder
Telephone:	(505) 883-8788
Fax:	(505) 883-8797
E-Mail:	FVener@HL-cpas.com

Hinkle + Landers is a corporation, is incorporated in New Mexico, and is authorized to do business in New Mexico.

Acceptance:
Hinkle + Landers, P.C. understands the work that is required and accepts the terms and conditions set forth in the ***City of Las Vegas*** RFP. Hinkle + Landers acknowledges receipt of any and all amendments/addendums to the RFP.

This proposal constitutes a firm and binding offer by Hinkle + Landers to the ***City of Las Vegas***. The information provided in support of the proposal is accurate, truthful, and factual.

Dated this 13th day of April 2018

Name of Offeror: Hinkle + Landers, P.C.

Farley Vener, CPA, CFE, CGMA

By: Farley Vener, CPA, CFE, CGMA

Farley Vener is authorized to bind Hinkle + Landers, PC to the requirements outlined in the RFP.

Title: President and Managing Shareholder

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PROPOSAL SUMMARY

The firm of Hinkle + Landers, P.C. appreciates the opportunity to submit our qualifications to conduct the independent **audit services** for ***City of Las Vegas*** (***City***) for the year ended **June 30, 2018, 2019 and 2020.**

We recognize the ***City's*** need for an accounting firm that specializes in government financial and compliance audits and will conduct your audit timely and efficiently. We believe this proposal demonstrates our firm's professional qualifications, governmental auditing standards accounting expertise, and most importantly, our commitment to exceptional client services and performing the work within the time-period.

We have been a stable governmental expert and local provider to NM governments for **46 years**. We have served over **150 governmental and non-profit entities**, of all sizes and complexity.

We have significant experience auditing Municipalities. We are also highly experienced in assisting clients with guidance and implementation for GASB reporting standards, including GASB 68 and 82 related to PERA.

Not only do we serve clients well, we serve the profession, leading at the local, state, and federal levels in organizations such as the AICPA, AGA, and NM State Board of Accountancy.

We believe in a cooperative partnership that results in a mutually beneficial and long-term relationship. With Hinkle + Landers, PC, you will receive the following:

- Specialize in Government Auditing – In our role as auditors and business advisors to state and local government organizations since 1972, we have found that one of the most common and difficult challenges for any organization is in the finance area. Realizing these specific challenges and knowing **best practices** for state and local governments in New Mexico allows us to be a trusted resource. All of our staff are experienced, and we use a cross-functional team. This gives all staff an extensiveness of knowledge, which creates efficiencies and allows for a more thorough audit to be performed.
- Beneficial Advice — We can offer best practices related to internal controls that are cost effective yet mitigate risks for the Organization.
- Collaborative – We use a collaborative style while staying independent. Through this style we are able to communicate useful knowledge to you, the client, and we learn valueable information about your organization that makes us better accountants. This results is a **"win-win"** for you the client, and us the firm in performing the engagement.
- Full-Time Audit Staff – Hinkle + Landers, does not work with "Seasonal Audit Contractors". We believe it is important to be able to contact your auditors year-round. This results in a **better product, higher quality of service, and long-term relationships**. Our 46 years of experience is a testament to this policy.
- Local expertise – As a loal CPA firm, our experience ensures the ability to complete the engagement

Professional Memberships & GAGAS Experience

Farley Vener is an appointed member of the Public Accountancy Board of New Mexico and sits on the Public Accountancy Board's Complaint Committee.

Hinkle + Landers is an active participant in the **AGA Albuquerque and New Mexico Chapters' Professional Development Training including presenting trainings.**

RESPONSE TO MANDATORY SPECIFICATIONS

I. CAPABILITIES OF HINKLE + LANDERS, PC

A. Profile of Hinkle + Landers, PC

Hinkle + Landers' main office is in Albuquerque, NM, and has been in business since 1972 with a staff 16. **Hinkle + Landers has the current resources and capacity to serve you, in your preferred time-frame.** Our main office is in Albuquerque, which is where the work on ***City of Las Vegas*** (***City***) audit will be performed. We also have an office in Santa Fe. 5 members of the staff have their New Mexico CPA license and 1 has a CGMA. 2 of our CPA's have been with the firm for 20 years or longer. Longevity is important to us and we will provide you with consistency and quality.

Hinkle + Landers' team of audit professionals, their position, and hours available to you, are as follows:

Staff	Position	Years Experience	Hours Available
Farley Vener, CPA, CFE, CGMA	Audit Partner	22	1,600
Steve Nolan, CPA	Audit Manager	20	1,200
Maclen Enriquez, CPA	Senior Audit Manager	9	1,200
Katelyn Constantin	Audit Manager	7	1,200
Jacob Conner	Audit Manager	2	1,200
Niko Valenzuela	Staff Auditor	1	1,200
Cosmina Hays	Staff Auditor	1	1,200
Patrick Sanchez	Staff Auditor	1	1,200

All auditors with Hinkle + Landers have specialized experience, training and supervision related with government organizations.

One in-charge audit manager will be on site on a full-time basis leading the audit efforts, while your engagement partner will provide technical review and additional resources to help assist the engagement team. Your engagement partner will be onsite for approximately 25% of the audit fieldwork, but will always be available, as-needed.

B. Independence Requirements (No Conflict of Interest)

Hinkle + Landers, PC has no conflicts of interest that it is aware of, in relation to conducting an independent audit of ***City of Las Vegas*** (***City***). Hinkle + Landers, PC are independent public accountants and auditors with respect to the ***City*** audit as defined by U.S. generally accepted auditing standards and the Code of Professional Ethics and Pronouncements of the American Institute of Certified Public Accountants.

C. New Mexico Office of the State Auditor Desk Review

Hinkle + Landers, PC conducts audits under the Office of the State Auditor (OSA) of New Mexico. Currently, we audit approximately 23 entities in conjunction with the OSA. Every audit report is reviewed and Hinkle + Landers, PC undergoes an annual work paper review of at least 2 of our state and local government audits. This process had helped to improve our quality of our audits and our knowledge of

B. Housing Authority Experience

We have direct experience auditing housing authorities. The following details the housing authorities we have audited, and their related counties and municipalities:

Entities		Years of Service
1.	City of Gallup Housing Authority (a Descrete Component Unit of the City of Gallup)	* 2016 - 2017
2.	Alamogordo Housing Authority (a Blended Component Unit of the City of Alamogordo)	* 2005 - 2014
3.	Doña Ana County Housing Authority (a Blended Component Unit of Doña Ana County)	* 2010 - 2012
4.	City of Española Public Housing Authority (a Blended Component Unit of the City of Española)	* 2005 - 2005

*** denotes that a Uniform Guidance Single Audit was also conducted**

C. Single Audit Experience

We have **direct experience auditing many different federal programs' in counties, municipalities, local, and state governments**. Some examples of the programs we have audited are as follows:

- Community Development Block Grants (CFDA 14.228) and the 2016 Federal Forest Reserve Title I & 2012 RAC V-Title II Monies (CFDA 10.665) for **McKinley County** (FY2017).
- Multiple programs with FEMA funding in recent years; the Performance Grant (CFDA 97.042), in FY2017 and FY2016, the SAFER Grant – Volunteer Coordinator (CFDA 97.083), in FY2017, for **Sandoval County**; and the Homeland Security Cluster (CFDA 97.067) for **Doña Ana County** in FY2015.
- Formula Grants for Rural Areas (CFDA 20.509) for the **City of Clovis** since FY2014.
- HUD Low Rent Public Housing Program (CFDA 14.850) for the **Gallup Housing Authority** a component unit of the **City of Gallup** in FY2016 and FY2017.

We have **direct experience performing single audits.** The members of your proposed audit staff have worked on a combined total of over 70 audits requiring single audits during their careers.

D. Municipality Utility Experience

We have **direct experience auditing municipalities with utilities such as the City of Gallup, City of Clovis, City of Carlsbad and City of Alamogordo.** Additionally, we performed a Forensic Audit of the City of Alamogordo's Utility Department in 2015. We performed significant work regarding the Department's billing and inherent risk of adjustments to bills.

E. References

The following government and non-profit organizations have similar funds, audit requirements, and funding to the ***City***:

City of Clovis

We have audited for the **City of Clovis** (**Clovis**) since fiscal year 2009. **Clovis** is the 8th largest city in New Mexico (population approximately 39,480) with over 300 personnel.

Carlsbad also requires a Single Audit every year. We compiled the financial statements and notes to the financial statements each year. The audit was completed and submitted by the due date and passed through the Office of the State Auditor's Office quickly. **Farley Vener was the Engagement Partner and Maclen Enriquez has been the On-Site Audit Manager since 2016.**

Contact at Carlsbad:

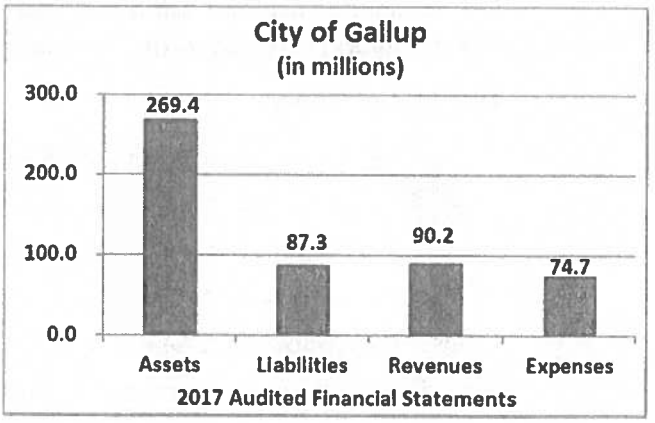
Name: Ms. Wendy Hammett; Finance Director
Phone: (575) 887-1191 (ext. 7910)
Email: wdhammett@cityofcarlsbadnm.com
Address: 101 N Halagueno St., Carlsbad, NM 88220

Please call Wendy and ask her about our efficient audit process; from the PBC list, continuing to the fieldwork, and through to the submission of the audit to OSA.

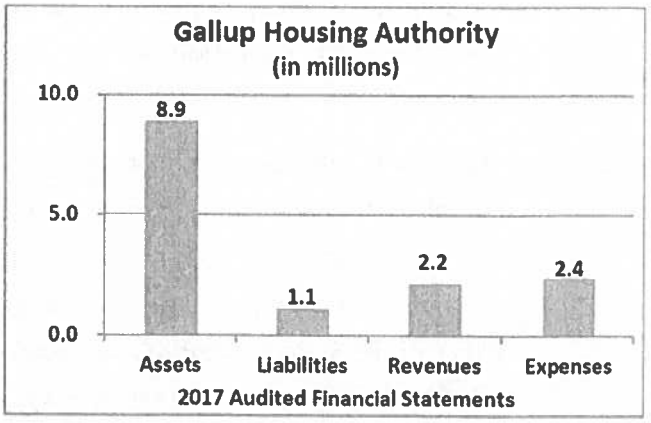
City of Gallup and Gallup Housing Authority

We performed the annual financial and compliance audits for the **City of Gallup** and the **Gallup Housing Authority** (**Gallup** and **GHA**) for fiscal year 2016, and expect to continue in FY18. **Gallup** is the 12th largest City in New Mexico (population around 23,240), with over 425 personnel at **Gallup** and 14 at the **GHA**.

Gallup is a home rule municipality operating under the powers granted by the constitution and laws of the State of New Mexico. **Gallup** operated under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, public utilities (electricity, water, wastewater, and solid waste), health and social services, culture-recreation, education, public improvements, housing, planning and zoning, and general administrative services. These areas are covered during our audit.



The **Gallup Housing Authority** (**GHA**) is a discretely presented component unit of the **City of Gallup**. The **GHA** is responsible for providing low-income public housing services within city limits. A board appointed by **Gallup's** elected council governs the Authority. However, **Gallup** is financially accountable for the Authority because **Gallup's** council must approve any debt issuances and the legal liability for the general obligation portion of the **GHA's** debt remains with **Gallup**. The **GHA** is presented as a Component Unit with separately issued



Contact at McKinley:

Name: Ms. Sara Keeler; Finance Director
Phone: (505) 863-1400
Email: skeeler@co.mckinley.nm.us
Address: 207 West Hill, Gallup, NM 87301

Please call Sara and ask her about our first-year audit approach and working together to complete the audit.

III. PROPOSED AUDIT TEAMS TECHNICAL EXPERIENCE

A. Proposed Audit Team

All auditors at Hinkle + Landers, PC specialize in government audits and accounting. All members of your audit team who have a CPA license are licensed to practice as a certified public accountant in New Mexico.

Farley Vener, CPA, CFE, CGMA

Farley Vener is the **Managing Shareholder** of Hinkle + Landers, PC and will be the **Partner-in Charge** of the audit and he will be in the field conducting the risk assessment for your audit, interviewing and conducting key parts of the fieldwork.

Along with **teaching** AICPA approved **in-house trainings**, Farley presented trainings on **best practice internal controls** and **fraud prevention** to other CPAs and state and local governmental personnel at the **AGA New Mexico Chapters' Professional Development Training since 2015.**

He has been a **Certified Fraud Examiner for 13 years**, which has given him specific training and experience in the areas of fraud detection and deterrence.

He also conducts Peer Reviews of other CPAs in New Mexico and surrounding states.

In addition to being appointed to the NM Public Accountancy Board, Farley also serves on its Complaint Committee, which gives him a broader perspective of state-wide issues and allows him to be part of the solution. Farley has not had any complaints leveled against him by the NM public accountancy board or by any other regulatory authority.

Farley Vener is a member of:

- the New Mexico Public Accountancy Board (appointed),
- the American Institute of Certified Public Accountants (AICPA),
- the New Mexico Society of Certified Public Accountants (NMSCPA),
- the Association of Certified Fraud Examiners (ACFE),
- the Association of Government Accountants (AGA),
- the New Mexico State Auditor's Stakeholder's Committee.

Katelyn Constantin, MACCT

Katelyn Constantin, Audit Manager, joined Hinkle + Landers, PC in 2011. She has specialized experience with governmental entities and nonprofits. She has a Masters in Accounting and graduated Cum Laude at the Anderson School of Management at the University of New Mexico. She is currently in the process of taking the CPA exams Maclen has been the lead audit manager for numerous government and non-profit entities.

A few examples of audits she has served as the lead audit manager on are as follows:

Example of Prior Relevant Experience	
City of Gallup & Gallup Housing Authority	City of Alamogordo
McKinley County	Sandoval County
Doña Ana County	Village of Corrales
North Central Regional Transit District	Socorro County
New Mexico Workers' Compensation Administration	3rd Judicial District Court's Office

Please refer to the **Appendices** section of the proposal to review a complete list of experiences, **educational background, continuing professional education, and memberships in professional organizations**.

Continuity of Staff

Hinkle + Landers, PC has always maintained its core staff. Our goal is to maintain long-term relationships with our audit clients. To do that, we must perform at a consistently high level with our dedicated core staff.

Your audit staff includes **Farley Vener**, who has been with Hinkle + Landers, PC for over 22 years, **Maclen Enriquez**, who has been with Hinkle + Landers, PC for 9 years, **Steve Nolan**, who has been with Hinkle + Landers, PC for over 20 years, and **Katelyn Constantin**, who has been with Hinkle + Landers for 7 years.

Please refer to Resumes section to see that we maintain long-term relationships with our clients.

Availability of Your Audit Team

Farley, Maclen, Steve, and Katelyn will all be available throughout the audit, and entire year, to answer questions, have discussions, and/or provide consultations. First, we will determine the ***City's*** needs and then assign the proper personnel to assist you.

Staff Training and Continuing Professional Education

Please see the Continuing Professional Education (CPE) tab located in the Appendices of this proposal, to review the past 3 years of CPE for each member of the proposed audit team.

V. TECHNICAL PLAN

A. Knowledge of Agency Needs and Products to be Delivered

To make sure we deliver what you are seeking, we are explicitly listing specifications from your request for proposal. We understand you are seeking:

1. **An independent audit of *City of Las Vegas's* financial records, in compliance with *Government Auditing Standards* (Yellow Book), and the Office of the State Auditor's Rule of Compliance.**
2. **Preparation of the *City's* Financial Statements, Notes, Required Supplementary Information, Other Schedules required by 2.2.2 NMAC, and all supporting documentation, each fiscal year.**
3. **Exit conference and presentation of results of the audit to the *City's* Management, *City* Commissioners, and Elected Officials.**
4. **Submission of the *City's* Audit Report and Other Required Documentation to the Office of the State Auditor by the deadline; each fiscal year.**
5. **Provide the requested number of copies of the final audit reports, as noted in the audit contract, to the *City*, once the State Auditor's Office releases the report.**
6. **Availability to answer questions throughout the entire year.**
7. **And provide any other requested items outlined in the *City's* RFP 0318-01.**

The above-mentioned products can and will be delivered by Hinkle + Landers, PC based on anticipated cooperation from the ***City's*** personnel.

Knowledge of the Professional Standards includes:

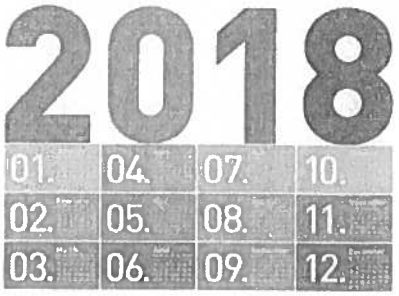
- We will perform our audit by applying Generally Accepted Governmental Auditing Standards (GAGAS) issued by the U.S. General Accounting Office, latest edition and amendments;
- Codification of Statements on Auditing Standards (SAS) issued by the AICPA;
- Organizations Receiving Federal Awards, latest edition;
- AICPA Audit and Accounting Guide, Audits of State and Local Governmental Units (ASLGU), latest edition;
- NMAC Audit Rule latest edition, Requirements for Contracting and Conducting Audits of Agencies, latest edition;
- OMB Super Circular also known as 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Super Circular (supersedes 8 OMB Circulars) compliance supplements, latest edition;
- Audit Guides and practice aids produced from federal or proprietary sources;
- Single Audit Act Amendment of 1996 (Public law 104-156);
- OMB Catalog of Federal Domestic Assistance (CFDA), latest edition, and
- Other applicable pronouncements

In addition, we will perform our fieldwork in accordance with the 2.2.2 NMAC Audit Rule, latest edition, which requires us to perform the following specific tests of compliance, which are applicable:

- Procurement Code (13-1-1 to 13-1-199 NMSA 1978;
- Per Diem and Mileage Act (10-8-1 to 10-8-8 NMSA 1978);
- Personnel Act (10-9-1 to 10-9-25 NMSA 1978);
- Public Money (6-10-1 to 6-10-63 NMSA 1978);

C. Audit Milestones & Timeline

This Audit Milestone and Timeline provides a general idea of the major milestones to anticipate during your audit. These specific activities and dates are based on our experience on similar engagements. During initial meetings with management, we will make the changes and adjustments to this plan and timeline that are deemed necessary to meet your specific needs.



Engagement Milestones	Timing
Audit Contract Submitted to State Auditor	As soon as engagement is awarded
Pre-engagement Meeting with Management and Governance	May 2018
Audit Plan and Audit Schedule	July 2018
Planning, Risk Assessment, Internal Control Documentation	June 2018
Interim Testing	May-June 2018
Final Fieldwork Commences	Late August-Early September
Audit Progress Meetings	Weekly or Bi-weekly & As Needed
Upper Management Meetings	As Needed
Financial Statements and Notes to the Financial Statements Preparation and Completion	October-November 2018
Draft Audit Report Planned Submission to Management	November 2018
Exit Conference	November 2018
Reports Issued to OSA, Planned	December 1
Reports Due to OSA	December 15
Reports Released by OSA, Copies to the County	January 2019
Data Collection Form Completion and Submission	Within 30 Days of Report Release Date
Download Meeting, Plan Next Year, Governance Presentation	January 2019

Note all dates are flexible with your timing needs and preferences, and will be tailored to your convenience.

Weekly or Bi-Weekly Status Updates

Hinkle + Landers is committed to client service. One of the tools we have found to work best in creating a successful audit, is conducting regular status-update meetings throughout the engagement. We will hold these meetings at the ***City's*** request and will report on the audits progress in comparison to the previously agreed-to timeline and identify any issues that have arisen. If necessary, adjustments in the audit plan will be made.

D. Audit Approach

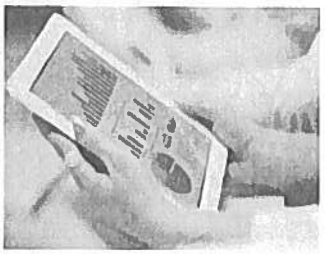
Our audit approach will be conducted under the professional standards established by the American Institute of Certified Public Accountants, Statement on Auditing Standards, as well as the procedures in accordance with auditing standards generally accepted the United States of America. **Hinkle + Landers does not use any seasonal audit contractors or subcontractors because we believe in quality year-round service.**

Based on our risk assessment, we will identify the areas that have the highest risk of misstatement and fraud and will focus our largest amount of budgeted time in these areas. In most cases; revenues, disbursements, payroll and complex programs are the areas of significant risk in an organization. We may sharpen our focus to more specific programs and allocations of shared costs between programs.

We will also review areas of concern or question that are noted by Management, City Commissioners, and Elected Officials during our Entrance Conference and preliminary meetings.

Information Technology and Data Processing

As part of our understanding of the ***City's***, risk assessment and internal controls, we will use an IT internal questionnaire and will work with your IT contractor or personnel to gain a thorough understanding of how your computer system and software affects the way transactions are initiated, recorded, processed, and reported.



We will consider, but not limit our walk-through to:

1. The type of systems and what manual and automated procedures are being conducted in key departments of the ***City***?
2. What is the disaster recovery plan for the organization and is it being implemented?
3. What are the security controls in place to protect sensitive data?
4. How do No. 1, 2, and 3 above impact the design and implementation of your internal controls?

We will understand and document the extent of how your computer systems affect the processing of financial transactions.

We will also conduct a walk-through of your disaster recovery plan (backup of data: is the data backed up offsite? Are the backups being tested? Are there enough backups or are backups being taped over each other and is it possible that the backup will data will not be useful because the latest backup recorded over the needed data and earlier backups are not available?) What are the controls over data and what physical controls are in place? We will request that your IT contractor certify the accuracy of the walk-through, if possible.

As we continue our planning, we will analytically review account balances to determine if there are any balances that do not appear reasonable. We will make initial inquiries to staff and management in our planning state about these accounts and audit these balances in our fieldwork stage until we believe these balances appear fairly stated.

Once we have accumulated and documented all the information above, we will design our audit programs and audit approach to perform the audit.

planning of the audit. Farley will be directly involved with all key areas of internal control design and implementation with the *City*.

Expected time*:** The planning and the documentation process is expected to take 80 hours. We can start this phase of the audit prior to the ***City's fiscal year-end, in June or a time that is convenient to your organization.

Provided by Client Deliverables

Next, we will prepare a list of deliverables or a "Provide by Client" (PBC) list to facilitate a timely completion of the audit. The PBC list will contain items needed to perform the examination, such as accounting policies, support for account balances, legal letter, etc.

By using the PBC list, we will be able to make the audit run more efficiently, effectively, and minimize the disruption to your staff and facilitate the audit being completed in a timely manner.

We will use the PBC list as a document to keep us and the ***City's*** staff on task and accountable in order to complete the audit in a timely manner. The PBC list will document:

- a description of the item that needs to be delivered,
- who is responsible for submitting the deliverable,
- who prepared the deliverable,
- when the deliverable is due, and
- when the deliverable was actually submitted.

The deliverable due dates will be completed in a collaborative manner between the ***City*** and Hinkle + Landers. The deliverables will be required to be uploaded to Hinkle + Landers' secure client portal, with Sharefile. This portal allows deliverables to be reviewed by all parties, and to document the date/time they are provided. Additionally, it significantly reduces the amount of email requested that are made during the audit. We will be happy to assist you fulfilling the PBC list requirements.

Expected time: This will take approximately 1-2 hours. This will happen concurrently with our planning and will be submitted to the ***City*** in May.

Interim Fieldwork

Due to the earlier due date to the Office of the State Auditor, it may be beneficial to the ***City*** for Hinkle + Landers to conduct interim fieldwork. The interim fieldwork would focus on the test of transactions. This would significantly reduce the test of transactions testing that would be required once the ***City's*** books are closed. **Farley, Maclen, Steve, and Katelyn would be involved in this area of the audit.**

Expected time: This will take approximately 60 hours and would take place in May-June; if it is deemed necessary during our early discussions with Management, City Commissioners, and Elected Officials.

Exit Conference

At the conclusion of the audit we will meet with management and/or the audit committee to present the independent audit opinion, the audited financial statements, as well as any audit findings or management advisory letter comments as required per AU-C Section 260.

Based on your preferences, we will meet with Management, City Commissioners, and Elected Officials, as needed. We will go over the draft audit report and we will present our audit results using Microsoft PowerPoint to enhance our communication with Management, City Commissioners, and Elected Officials. The Exit Conference will meet the requirements of "Communication with those in Charge of Governance".

As part of our PowerPoint presentation we will also present in graph and table form several important financial ratios, financial trends and analytical analysis for the past five years (or more years if financial statements are available).

Our communication will also include the following:

- what audit adjustments were made,
- what audit adjustments were not made because of immateriality (if any),
- if there were any disagreements with management,
- if there were any consultations with other accountants on any issues.

Farley and Maclen will attend the exit conference.

Expected time: 1 to 2 hours.

Communication of Findings and Proposed Adjusting Journal Entries

We will communicate potential findings and proposed adjustments **as they occur** so you may research them to clear up any possible misunderstandings.

One of the final steps of the audit will be ensuring that the adjusted trial balance is approved by management. This will minimize any discrepancies in beginning net position and fund balance for the subsequent year audit.

Year-End Feedback and Survey

To ensure we are continuously providing you with excellent service, we will survey your staff at the beginning of the next calendar year. We will also have a "download" meeting after the holiday to go over what worked well, what challenges we faced together, and how to proceed for the following year.

RESPONSE TO MANDATORY SPECIFICATIONS

I. CAPABILITIES OF HINKLE + LANDERS, PC

A. Profile of Hinkle + Landers, PC

Hinkle + Landers' main office is in Albuquerque, NM, and has been in business since 1972 with a staff 16. **Hinkle + Landers has the current resources and capacity to serve you, in your preferred time-frame.** Our main office is in Albuquerque, which is where the work on ***City of Las Vegas*** (***City***) audit will be performed. We also have an office in Santa Fe. 5 members of the staff have their New Mexico CPA license and 1 has a CGMA. 2 of our CPA's have been with the firm for 20 years or longer. Longevity is important to us and we will provide you with consistency and quality.

Hinkle + Landers' team of audit professionals, their position, and hours available to you, are as follows:

Staff	Position	Years Experience	Hours Available
Farley Vener, CPA, CFE, CGMA	Audit Partner	22	1,600
Steve Nolan, CPA	Audit Manager	20	1,200
Maclen Enriquez, CPA	Senior Audit Manager	9	1,200
Katelyn Constantin	Audit Manager	7	1,200
Jacob Conner	Audit Manager	2	1,200
Niko Valenzuela	Staff Auditor	1	1,200
Cosmina Hays	Staff Auditor	1	1,200
Patrick Sanchez	Staff Auditor	1	1,200

All auditors with Hinkle + Landers have specialized experience, training and supervision related with government organizations.

One in-charge audit manager will be on site on a full-time basis leading the audit efforts, while your engagement partner will provide technical review and additional resources to help assist the engagement team. Your engagement partner will be onsite for approximately 25% of the audit fieldwork, but will always be available, as-needed.

B. Independence Requirements (No Conflict of Interest)

Hinkle + Landers, PC has no conflicts of interest that it is aware of, in relation to conducting an independent audit of ***City of Las Vegas*** (***City***). Hinkle + Landers, PC are independent public accountants and auditors with respect to the ***City*** audit as defined by U.S. generally accepted auditing standards and the Code of Professional Ethics and Pronouncements of the American Institute of Certified Public Accountants.

C. New Mexico Office of the State Auditor Desk Review

Hinkle + Landers, PC conducts audits under the Office of the State Auditor (OSA) of New Mexico. Currently, we audit approximately 23 entities in conjunction with the OSA. Every audit report is reviewed and Hinkle + Landers, PC undergoes an annual work paper review of at least 2 of our state and local government audits. This process had helped to improve our quality of our audits and our knowledge of

the accounting standards. **We continue to be on the New Mexico State Auditor's approved IPA list, with no restrictions and have never been restricted. No disciplinary action has been taken or is pending against Hinkle + Landers, PC.**

A copy of the New Mexico State Auditor's desk review report is attached to this proposal, as noted in the table of contents.

II. Similar Experience and References

We offer ***City of Las Vegas*** (***City***) a team of professionals with more than *63 years of combined experience* in public accounting to serve as your independent auditors. Hinkle + Landers, PC has been operating in New Mexico for over 46 years. We have audited well over **150 distinct organizations** in the last ten years and **89% of all our audit work is with local government and non-profit organizations**. A significant number of them have been municipalities, counties, local government, schools, and state agencies audits which include governmental-type funds, business activity-type funds, and fiduciary funds.

A. Municipality, County, and Local Government Experience

Although we have not directly audited ***City of Las Vegas***, we have **direct experience auditing municipalities, counties, and local public bodies in New Mexico, similar to the *City*.**

Municipalities and Local Public Bodies			Years of Service		
1.	City of Clovis	*	2009	-	2017
2.	City of Carlsbad	*	2016	-	2017
3.	City of Gallup & Gallup Housing Authority	*	2016	-	2017
4.	City of Rio Communities		2015	-	2017
5.	Village of Corrales		2002-2005	,	2014-2016
6.	City of Alamogordo and Alamogordo Housing Authority	*	2005	-	2014
7.	Village of Los Ranchos de Albuquerque	*	2003	-	2008
8.	City of Belen	*	2004	-	2008
9.	City of Espanola and Espanola Housing Authority	*	2005	-	2005
10.	Town of Edgewood	*	2005	-	2005
11.	Village of Bosque Farms	*	2002	-	2004
12.	City of Moriarty	*	1998	-	2003
13.	City of Santa Rosa		2002	-	2003
14.	Village of Jemez Springs		2002	-	2002
15.	Village of Tijeras	*	1998	-	1999

Counties			Years of Service		
1.	McKinley County	*	2017	-	2017
2.	Sandoval County	*	2016	-	2017
3.	Torrance County		2017	-	2017
4.	Doña Ana County	*	2010	-	2015
5.	Socorro County	*	2014	-	2015
6.	Valencia County	*	2001	-	2006
7.	Bernalillo County	*	2000	-	2000

*** denotes that a Uniform Guidance Single Audit was also conducted**

B. Housing Authority Experience

We have direct experience auditing housing authorities. The following details the housing authorities we have audited, and their related counties and municipalities:

Entities		Years of Service
1. City of Gallup Housing Authority (a Descrete Component Unit of the City of Gallup)	*	2016 - 2017
2. Alamogordo Housing Authority (a Blended Component Unit of the City of Alamogordo)	*	2005 - 2014
3. Doña Ana County Housing Authority (a Blended Component Unit of Doña Ana County)	*	2010 - 2012
4. City of Española Public Housing Authority (a Blended Component Unit of the City of Española)	*	2005 - 2005

*** denotes that a Uniform Guidance Single Audit was also conducted**

C. Single Audit Experience

We have **direct experience auditing many different federal programs' in counties, municipalities, local, and state governments**. Some examples of the programs we have audited are as follows:

- Community Development Block Grants (CFDA 14.228) and the 2016 Federal Forest Reserve Title I & 2012 RAC V-Title II Monies (CFDA 10.665) for **McKinley County** (FY2017).
- Multiple programs with FEMA funding in recent years; the Performance Grant (CFDA 97.042), in FY2017 and FY2016, the SAFER Grant – Volunteer Coordinator (CFDA 97.083), in FY2017, for **Sandoval County**; and the Homeland Security Cluster (CFDA 97.067) for **Doña Ana County** in FY2015.
- Formula Grants for Rural Areas (CFDA 20.509) for the **City of Clovis** since FY2014.
- HUD Low Rent Public Housing Program (CFDA 14.850) for the **Gallup Housing Authority** a component unit of the **City of Gallup** in FY2016 and FY2017.

We have **direct experience performing single audits.** The members of your proposed audit staff have worked on a combined total of over 70 audits requiring single audits during their careers.

D. Municipality Utility Experience

We have **direct experience auditing municipalities with utilities such as the City of Gallup, City of Clovis, City of Carlsbad and City of Alamogordo.** Additionally, we performed a Forensic Audit of the City of Alamogordo's Utility Department in 2015. We performed significant work regarding the Department's billing and inherent risk of adjustments to bills.

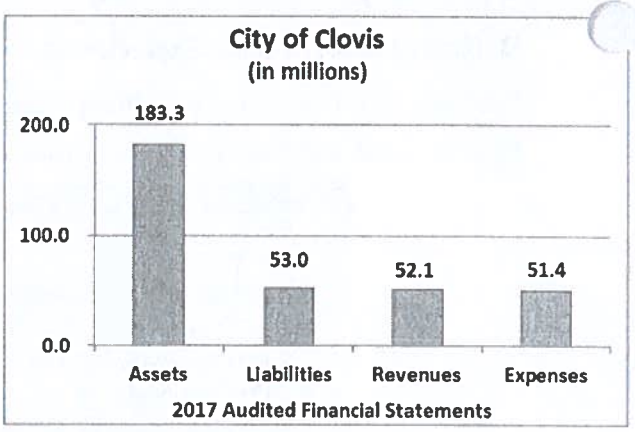
E. References

The following government and non-profit organizations have similar funds, audit requirements, and funding to the ***City***:

City of Clovis

We have audited for the **City of Clovis** (**Clovis**) since fiscal year 2009. **Clovis** is the 8th largest city in New Mexico (population approximately 39,480) with over 300 personnel.

Clovis has a complex array of multiple government funds such as special revenue funds, capital project funds and debt service funds. **Clovis** also has proprietary funds such as solid waste, waste-water and airport funds as well as three internal services funds. All of these areas are covered during audit.



Within **Clovis'** administration, there are multiple departments such as a municipal court, police department, fire department, planning and zoning, etc..., as well as multiple cash collection sites that are all reviewed during the audit.

Clovis also required a Single Audit every year. We compiled the financial statements and notes to the financial statements each year. All audits were completed and submitted by the due date and all audits passed through the Office of the State Auditor's Office quickly. **Farley Vener has been the Engagement Partner for all years and Maclen Enriquez has been the On-Site Audit Manager since 2013.**

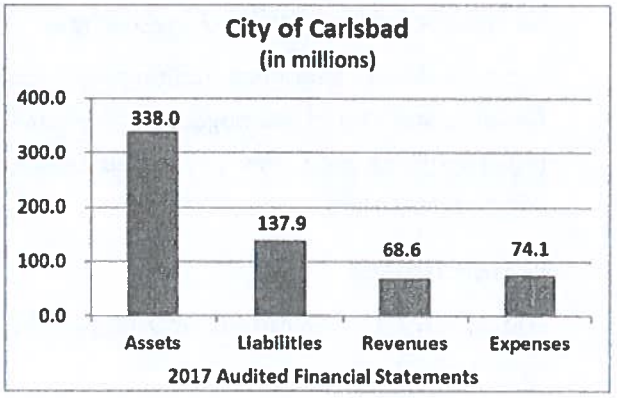
Contact at Clovis:

Name: Ms. LeighAnn Melancon; Finance Director
Phone: (575) 763-9632
Email: lamelancon@cityofclovis.org
Address: 321 Connelly, Clovis, NM 88102

Please ask them about our commitment to provide year-round service and working together to facilitate the audit experience.

City of Carlsbad

We have audited the **City of Carlsbad** (**Carlsbad**) since fiscal year 2016. **Carlsbad** is the 11th largest city in New Mexico (population approximately 28,950) with over 500 personnel. **Carlsbad** provides the following authorized services: public safety (police and fire), public works, water, sanitation, health and welfare, social services, culture and recreation, public improvements, planning and zoning, and general administrative services.



Additionally, **Carlsbad** contracted their Lodgers' Tax Audit with Hinkle + Landers, PC. The audit has been submitted timely and was performed by Farley Vener, CPA, CFE, CGMA.

Carlsbad also requires a Single Audit every year. We compiled the financial statements and notes to the financial statements each year. The audit was completed and submitted by the due date and passed through the Office of the State Auditor's Office quickly. **Farley Vener was the Engagement Partner and Maclen Enriquez has been the On-Site Audit Manager since 2016.**

Contact at Carlsbad:

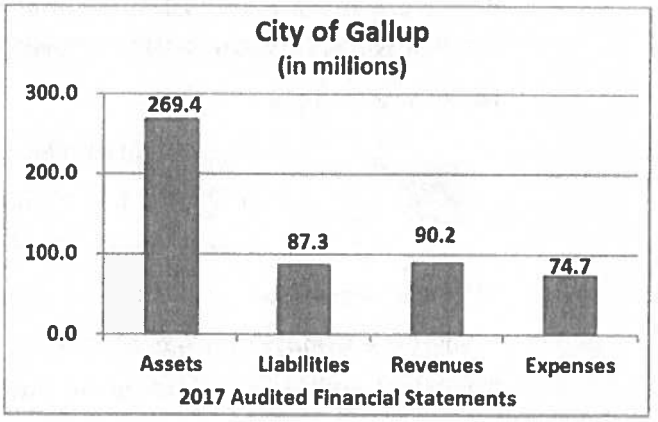
Name: Ms. Wendy Hammett; Finance Director
Phone: (575) 887-1191 (ext. 7910)
Email: wdhammett@cityofcarlsbadnm.com
Address: 101 N Halagueno St., Carlsbad, NM 88220

Please call Wendy and ask her about our efficient audit process; from the PBC list, continuing to the fieldwork, and through to the submission of the audit to OSA.

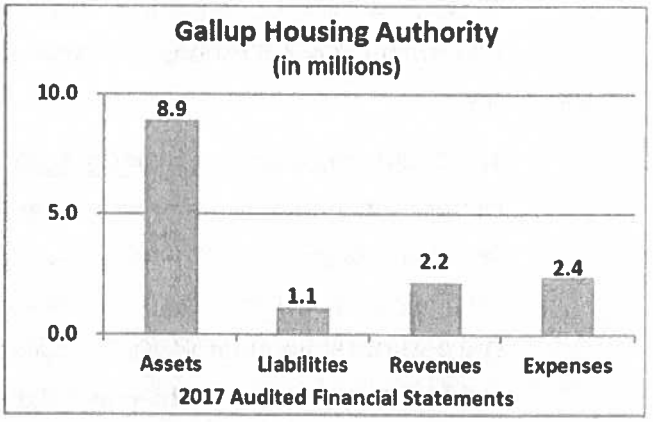
City of Gallup and Gallup Housing Authority

We performed the annual financial and compliance audits for the **City of Gallup** and the **Gallup Housing Authority** (**Gallup** and **GHA**) for fiscal year 2016, and expect to continue in FY18. **Gallup** is the 12th largest City in New Mexico (population around 23,240), with over 425 personnel at **Gallup** and 14 at the **GHA**.

Gallup is a home rule municipality operating under the powers granted by the constitution and laws of the State of New Mexico. **Gallup** operated under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, public utilities (electricity, water, wastewater, and solid waste), health and social services, culture-recreation, education, public improvements, housing, planning and zoning, and general administrative services. These areas are covered during our audit.



The **Gallup Housing Authority** (**GHA**) is a discretely presented component unit of the **City of Gallup**. The **GHA** is responsible for providing low-income public housing services within city limits. A board appointed by **Gallup's** elected council governs the Authority. However, **Gallup** is financially accountable for the Authority because **Gallup's** council must approve any debt issuances and the legal liability for the general obligation portion of the **GHA's** debt remains with **Gallup**. The **GHA** is presented as a Component Unit with separately issued



audit report.

Gallup and **GHA** also requires a Single Audit every year. We compiled the financial statements and notes to the financial statements each year. The audits were completed and submitted by the due date and passed through the Office of the State Auditor's Office quickly. **Farley Vener was the Engagement Partner and Katelyn Constantin was the On-Site Audit Manager for all fiscal years.**

Contact at Gallup:

Name: Ms. Patty Holland; Chief Finance Officer
Phone: (505) 863-1362
Email: pholland@gallupnm.gov
Address: 110 W Aztec Ave., Gallup, NM 87301

Please call Patty and ask her about our commitment to provide year-round service and working together to facilitate the audit experience.

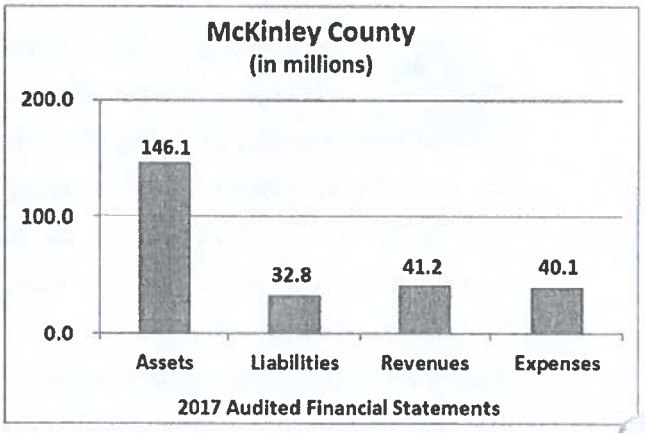
Contact at the Gallup Housing Authority:

Name: Mr. Richard Kontz, Executive Director
Phone: (505) 722-4388
Email: gauthority@qwestoffice.net
Address: 203 Debra Dr., Gallup, NM 87301

Please call Richard and ask him about our efficient audit process; from the PBC list, continuing to the fieldwork, through to the submission of the audit to OSA.

McKinley County

We audited **McKinley County** (**County**) for fiscal year 2017, and expect to continue in FY18. The **County** is the 7th largest City in New Mexico (population approximately 75,000) with over 250 personnel. The **County** has a complex array of multiple government funds such as special revenue funds, capital project funds and debt service funds. The **County** also has agency funds. All of these areas are covered during audit. The **County** provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and welfare (social services), culture and recreation, sanitation, low rent housing assistance, planning and zoning, property assessment, tax collection, and general administrative services.



The **County** also requires a Single Audit every year. We compiled the financial statements and notes to the financial statements. The audit was completed and submitted by the due date and passed through the Office of the State Auditor's Office quickly. **Farley Vener was the Engagement Partner and Katelyn Constantin was the On-Site Audit Manager.**

Contact at McKinley:

Name: Ms. Sara Keeler; Finance Director
Phone: (505) 863-1400
Email: skeeler@co.mckinley.nm.us
Address: 207 West Hill, Gallup, NM 87301

Please call Sara and ask her about our first-year audit approach and working together to complete the audit.

III. PROPOSED AUDIT TEAMS TECHNICAL EXPERIENCE

A. Proposed Audit Team

All auditors at Hinkle + Landers, PC specialize in government audits and accounting. All members of your audit team who have a CPA license are licensed to practice as a certified public accountant in New Mexico.

Farley Vener, CPA, CFE, CGMA

Farley Vener is the **Managing Shareholder** of Hinkle + Landers, PC and will be the **Partner-in Charge** of the audit and he will be in the field conducting the risk assessment for your audit, interviewing and conducting key parts of the fieldwork.

Along with **teaching** AICPA approved **in-house trainings**, Farley presented trainings on **best practice internal controls** and **fraud prevention** to other CPAs and state and local governmental personnel at the **AGA New Mexico Chapters' Professional Development Training since 2015.**

He has been a **Certified Fraud Examiner for 13 years**, which has given him specific training and experience in the areas of fraud detection and deterrence.

He also conducts Peer Reviews of other CPAs in New Mexico and surrounding states.

In addition to being appointed to the NM Public Accountancy Board, Farley also serves on its Complaint Committee, which gives him a broader perspective of state-wide issues and allows him to be part of the solution. Farley has not had any complaints leveled against him by the NM public accountancy board or by any other regulatory authority.

Farley Vener is a member of:

- the New Mexico Public Accountancy Board (appointed),
- the American Institute of Certified Public Accountants (AICPA),
- the New Mexico Society of Certified Public Accountants (NMSCPA),
- the Association of Certified Fraud Examiners (ACFE),
- the Association of Government Accountants (AGA),
- the New Mexico State Auditor's Stakeholder's Committee.

Below are a few of the audits that Farley has conducted:

Example of Prior Relevant Experience	
City of Clovis	City of Carlsbad
City of Gallup & Gallup Housing Authority	McKinley County
City of Alamogordo	Sandoval County
Doña Ana County	City of Rio Communities
Village of Corrales	City of Belen

Maclen Enriquez, CPA

Maclen Enriquez, Senior Audit Manager (On-Site Audit Manager), joined the firm in June of 2009. He graduated Magna Cum Laude in May of 2009 from the Anderson School of Management at the University of New Mexico, where he earned his Bachelor degree in Accounting. Maclen has been the lead audit manager for numerous government and non-profit entities.

A few examples of audits he has served as the lead audit manager on are as follows:

Example of Prior Relevant Experience	
City of Clovis	Torrance County
City of Carlsbad	Office of the State Engineer/Interstate Stream Commission
Eastern Plains Council of Governments	5th Judicial District Attorney's Office
Northern Area Local Workforce Development Board	Eastern Area Local Workforce Development Board
Southwest New Mexico Council of Governments	Southwestern Area Local Workforce Development Board

Steve Nolan, CPA

Steve Nolan, Audit Manager, brings to you over 20 years of experience in public and governmental accounting in New Mexico. He has been with Hinkle + Landers since 1998.

Steve has experience working with complex issues related to government entities through his work with municipalities and counties around New Mexico.

Below are a few of the audits that he has served as the lead audit manager and assisted with, are as follows:

Example of Prior Relevant Experience	
City of Clovis	City of Carlsbad
City of Gallup & Gallup Housing Authority	City of Alamogordo
City of Rio Communities	Sandoval County
Doña Ana County	City of Moriarty
Village of Corrales	City of Belen

Katelyn Constantin, MACCT

Katelyn Constantin, Audit Manager, joined Hinkle + Landers, PC in 2011. She has specialized experience with governmental entities and nonprofits. She has a Masters in Accounting and graduated Cum Laude at the Anderson School of Management at the University of New Mexico. She is currently in the process of taking the CPA exams Maclen has been the lead audit manager for numerous government and non-profit entities.

A few examples of audits she has served as the lead audit manager on are as follows:

Example of Prior Relevant Experience	
City of Gallup & Gallup Housing Authority	City of Alamogordo
McKinley County	Sandoval County
Doña Ana County	Village of Corrales
North Central Regional Transit District	Socorro County
New Mexico Workers' Compensation Administration	3rd Judicial District Court's Office

Please refer to the **Appendices** section of the proposal to review a complete list of experiences, **educational background, continuing professional education, and memberships in professional organizations**.

Continuity of Staff

Hinkle + Landers, PC has always maintained its core staff. Our goal is to maintain long-term relationships with our audit clients. To do that, we must perform at a consistently high level with our dedicated core staff.

Your audit staff includes **Farley Vener**, who has been with Hinkle + Landers, PC for over 22 years, **Maclen Enriquez**, who has been with Hinkle + Landers, PC for 9 years, **Steve Nolan**, who has been with Hinkle + Landers, PC for over 20 years, and **Katelyn Constantin**, who has been with Hinkle + Landers for 7 years.

Please refer to Resumes section to see that we maintain long-term relationships with our clients.

Availability of Your Audit Team

Farley, Maclen, Steve, and Katelyn will all be available throughout the audit, and entire year, to answer questions, have discussions, and/or provide consultations. First, we will determine the ***City's*** needs and then assign the proper personnel to assist you.

Staff Training and Continuing Professional Education

Please see the Continuing Professional Education (CPE) tab located in the Appendices of this proposal, to review the past 3 years of CPE for each member of the proposed audit team.

Each auditor is required to complete 40 hours of continuing professional education per year. Hinkle + Landers' performs audits of many organizations, both governmental and non-profit, therefore our in-house policy regarding CPE is that **all auditors are required to focus their CPA on governmental and non-profit audits and accounting.**

All auditors attend the State Audit Rule Training presented by the Office of the State Auditor, each year.

Additionally, the Single Audit process changed in 2016, and as a result, an **in-house policy regarding CPE is that all auditors are required to complete at least 8 hours of Single Audit CPE**. This will ensure all of our auditors are up-to-date on changes affecting Single Audit requirements.

Farley Vener also conducts AICPA approved in-house trainings.

IV. EXTERNAL QUALITY REVIEW (PEER REVIEW)

Hinkle + Landers, PC, undergoes periodic external reviews of its audits, reviews and compilation work by various entities. As required under the rules of membership of the American Institute of Certified Public Accountants and the New Mexico Society of CPAs, we submit to review our audit reports and work papers on a periodic basis.

Our last peer review was completed March 24, 2017 by Stone, McGee & Co. We received an **unmodified opinion** on the quality of our practice and the effectiveness of our quality control procedures and **no letter of comments**. This is the highest standard that can be achieved in a peer review. A copy of this report is attached in the Peer Review section of the Appendices.

V. TECHNICAL PLAN

A. Knowledge of Agency Needs and Products to be Delivered

To make sure we deliver what you are seeking, we are explicitly listing specifications from your request for proposal. We understand you are seeking:

1. **An independent audit of *City of Las Vegas's* financial records, in compliance with *Government Auditing Standards* (Yellow Book), and the Office of the State Auditor's Rule of Compliance.**
2. **Preparation of the *City's* Financial Statements, Notes, Required Supplementary Information, Other Schedules required by 2.2.2 NMAC, and all supporting documentation, each fiscal year.**
3. **Exit conference and presentation of results of the audit to the *City's* Management, *City* Commissioners, and Elected Officials.**
4. **Submission of the *City's* Audit Report and Other Required Documentation to the Office of the State Auditor by the deadline; each fiscal year.**
5. **Provide the requested number of copies of the final audit reports, as noted in the audit contract, to the *City*, once the State Auditor's Office releases the report.**
6. **Availability to answer questions throughout the entire year.**
7. **And provide any other requested items outlined in the *City's* RFP 0318-01.**

The above-mentioned products can and will be delivered by Hinkle + Landers, PC based on anticipated cooperation from the ***City's*** personnel.

Knowledge of the Professional Standards includes:

- We will perform our audit by applying Generally Accepted Governmental Auditing Standards (GAGAS) issued by the U.S. General Accounting Office, latest edition and amendments;
- Codification of Statements on Auditing Standards (SAS) issued by the AICPA;
- Organizations Receiving Federal Awards, latest edition;
- AICPA Audit and Accounting Guide, Audits of State and Local Governmental Units (ASLGU), latest edition;
- NMAC Audit Rule latest edition, Requirements for Contracting and Conducting Audits of Agencies, latest edition;
- OMB Super Circular also known as 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (OMB Super Circular (supersedes 8 OMB Circulars) compliance supplements, latest edition;
- Audit Guides and practice aids produced from federal or proprietary sources;
- Single Audit Act Amendment of 1996 (Public law 104-156);
- OMB Catalog of Federal Domestic Assistance (CFDA), latest edition, and
- Other applicable pronouncements

In addition, we will perform our fieldwork in accordance with the 2.2.2 NMAC Audit Rule, latest edition, which requires us to perform the following specific tests of compliance, which are applicable:

- Procurement Code (13-1-1 to 13-1-199 NMSA 1978;
- Per Diem and Mileage Act (10-8-1 to 10-8-8 NMSA 1978);
- Personnel Act (10-9-1 to 10-9-25 NMSA 1978);
- Public Money (6-10-1 to 6-10-63 NMSA 1978);

- Investment of Public Money (6-10-1 to 6-10-63 NMSA 1978);
- Public Employment Retirement Act (10-11-1 to 10-11-38 NMSA 1978);
- Sale of Public Property (13-6-1 to 13-6-4 NMSA 1978);
- Anti-Donation Clause (NM Constitution Article IX, Section 14);
- Special, Deficiency, and Specific Appropriation (appropriation laws applicable for the year under audit;
- State Budget Compliance (6-3-1 to 6-3-25 NMSA 1978);
- Lease Purchase Agreements (6-6-11 to 6-6-12, Montano v. Gabaldon, 108 NM 94, 766 P.2d 1328,1989);
- 1 NMAC 1.2.1, Accounting and Control of Fixed Assets of State Government;
- NMAC Requirements for Contracting and Conducting Audits of Agencies;
- Article IX of the State Constitution Limits on Indebtedness; and,
- Retiree Health Care Authority Act (RHCA) (Section 10-7C-1 to 10-7C-19 NMSA 1978);
- Government Conduct Act (10-16-1 to 10-16-18 NMSA 1978).

Our firm, Hinkle + Landers, PC, understands the work that needs to be done and the commitment to perform the work and presentation of the audit report, by the audit deadline.

B. Tailoring Your Audit to You

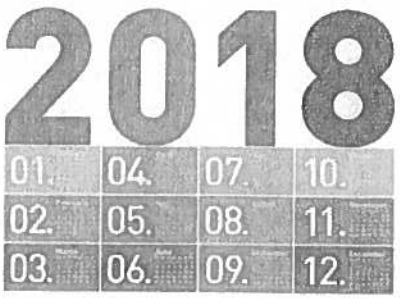
We will begin your audit with a comprehensive planning and preparation stage and conclude with the timely delivery of our reports. We will work with you to coordinate and schedule the engagement to minimize potential disruptions. We will work with you to set dates that accommodate your schedule and the submission deadline. The audit programs we utilize provide typical approaches for audit areas, which we then tailor into a client-specific, risk-based audit approach. We use industry-tailored programs, procedures, and other resources that are designed specifically to focus on the areas applicable to you.

We explain exactly what we're doing and what we've found in "plain English". We will discuss our findings (if applicable) and walk through them with you so you can best determine how to address them. We believe our services are a contributing factor to better business and administrative practices. Throughout the engagement we will be working closely with the ***City's*** management, staff, and the governing members. This allows us to gain a better understanding of the procedures and policies that are in place. This process enables us to offer recommendations or suggestions for improvement and best practices.

When performing an audit, we are sensitive and understanding of the fact that we report to those charged with governance. We maintain objectivity and independence in order to be able to issue our audit opinions. We will act within our philosophy of total client service, maintain the professional relationship refined with management, and fulfill our responsibilities with the utmost professionalism.

C. Audit Milestones & Timeline

This Audit Milestone and Timeline provides a general idea of the major milestones to anticipate during your audit. These specific activities and dates are based on our experience on similar engagements. During initial meetings with management, we will make the changes and adjustments to this plan and timeline that are deemed necessary to meet your specific needs.



Engagement Milestones	Timing
Audit Contract Submitted to State Auditor	As soon as engagement is awarded
Pre-engagement Meeting with Management and Governance	May 2018
Audit Plan and Audit Schedule	July 2018
Planning, Risk Assessment, Internal Control Documentation	June 2018
Interim Testing	May-June 2018
Final Fieldwork Commences	Late August-Early September
Audit Progress Meetings	Weekly or Bi-weekly & As Needed
Upper Management Meetings	As Needed
Financial Statements and Notes to the Financial Statements Preparation and Completion	October-November 2018
Draft Audit Report Planned Submission to Management	November 2018
Exit Conference	November 2018
Reports Issued to OSA, Planned	December 1
Reports Due to OSA	December 15
Reports Released by OSA, Copies to the County	January 2019
Data Collection Form Completion and Submission	Within 30 Days of Report Release Date
Download Meeting, Plan Next Year, Governance Presentation	January 2019

Note all dates are flexible with your timing needs and preferences, and will be tailored to your convenience.

Weekly or Bi-Weekly Status Updates

Hinkle + Landers is committed to client service. One of the tools we have found to work best in creating a successful audit, is conducting regular status-update meetings throughout the engagement. We will hold these meetings at the ***City's*** request and will report on the audits progress in comparison to the previously agreed-to timeline and identify any issues that have arisen. If necessary, adjustments in the audit plan will be made.

D. Audit Approach

Our audit approach will be conducted under the professional standards established by the American Institute of Certified Public Accountants, Statement on Auditing Standards, as well as the procedures in accordance with auditing standards generally accepted the United States of America. **Hinkle + Landers does not use any seasonal audit contractors or subcontractors because we believe in quality year-round service.**

Our audits are designed to create a comprehensive and efficient plan to meet our audit objectives, and are divided into the following segments:

Technical Plan
1. Entrance Conference
2. Planning
3. Interim Fieldwork
4. Fieldwork (Analyticals)
5. Preparation, Review, and Reporting of Audit
6. Exit Conference
7. Planning for Next Year

Our plan will include meetings as needed with management to report our progress and identify any issues that arise during the audit. If necessary, adjustments in the audit plan will be made. The following is a detailed description of our audit plan.

Entrance Conference

First, we will meet with ***City of Las Vegas's*** (***City***)management and staff in an entrance conference at your office.

In these meetings, we will establish the liaisons for our working relationship. We will communicate our specific plans and expectations to conduct an efficient and thorough audit. We will discuss the AU-C 260 Communication with Those Charged with Governance, issues with Management, City Commissioners, and Elected Officials. **Farley and Maclen will attend.**

Expected time: We will be available for this meeting as soon as we are informed that we have been awarded the engagement. We estimate this will take 1 hour of meeting time.

Planning

The foundations of planning your audit will be to gain an understanding of your organization and we will document the following:

- the organizational hierarchy,
- your internal control system,
- an organizational fraud risk assessment,
- accounting policies,
- financial and management information systems, and
- specific contract and/or grant requirements based on the agreements.

We will also document the proper planning considerations to ensure we accurately audit the ***City*** per the latest Statement on Auditing Standards.

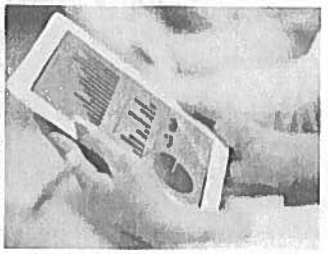
In addition, there are some recently issued standards that may affect the ***City*** audit. **This planning will be conducted mostly by Farley Vener, with assistance from Maclen, and Katelyn.**

Based on our risk assessment, we will identify the areas that have the highest risk of misstatement and fraud and will focus our largest amount of budgeted time in these areas. In most cases; revenues, disbursements, payroll and complex programs are the areas of significant risk in an organization. We may sharpen our focus to more specific programs and allocations of shared costs between programs.

We will also review areas of concern or question that are noted by Management, City Commissioners, and Elected Officials during our Entrance Conference and preliminary meetings.

Information Technology and Data Processing

As part of our understanding of the ***City's***, risk assessment and internal controls, we will use an IT internal questionnaire and will work with your IT contractor or personnel to gain a thorough understanding of how your computer system and software affects the way transactions are initiated, recorded, processed, and reported.



We will consider, but not limit our walk-through to:

1. The type of systems and what manual and automated procedures are being conducted in key departments of the ***City***?
2. What is the disaster recovery plan for the organization and is it being implemented?
3. What are the security controls in place to protect sensitive data?
4. How do No. 1, 2, and 3 above impact the design and implementation of your internal controls?

We will understand and document the extent of how your computer systems affect the processing of financial transactions.

We will also conduct a walk-through of your disaster recovery plan (backup of data: is the data backed up offsite? Are the backups being tested? Are there enough backups or are backups being taped over each other and is it possible that the backup will data will not be useful because the latest backup recorded over the needed data and earlier backups are not available?) What are the controls over data and what physical controls are in place? We will request that your IT contractor certify the accuracy of the walk-through, if possible.

As we continue our planning, we will analytically review account balances to determine if there are any balances that do not appear reasonable. We will make initial inquiries to staff and management in our planning state about these accounts and audit these balances in our fieldwork stage until we believe these balances appear fairly stated.

Once we have accumulated and documented all the information above, we will design our audit programs and audit approach to perform the audit.

These procedures noted above are crucial to properly audit the ***City*** and great care will be taken to make sure they are complete. **Farley, Maclen, and Katelyn will share involvement in the planning of the audit.**

Assessing Internal Controls

The internal control structure for all significant accounting areas (**and smaller areas, if requested by *City***) will be documented using questionnaires and/or narratives. We will review your policy and procedure manuals, organizational hierarchy, and prior year workpapers.

Internal Control Process

Additionally, we will document our understanding of the ***City*** methods of processing accounting information through interviews with personnel. Once we have all the information, we will tailor our audit programs and audit approach to more efficiently and effectively perform your audit. **Farley will minimize any disruption to your staff during this process.**

During fieldwork, we will compare the ***City's*** design of internal controls to how the internal controls are operating. Next, we will identify weaknesses or if improvements can be made and discuss them with management. These procedures noted above are crucial to properly audit the ***City*** and great care will be taken to make sure they are complete.

Farley will be directly involved with all key areas of internal control design and implementation with the *City,* along with assistance from Maclen and Katelyn.

Performing Analytical Procedures

We will conduct analytical procedures during our planning stage. These procedures are effective and powerful in determining if amounts on the ***City's*** trial balance are reasonable.

We will compare current and prior year balances, along with actual and budgetary balances, to determine if the variances are reasonable and expected. If they are not, further understanding and test work, when needed, will be conducted for these balances during our fieldwork.

As part of our fieldwork testing, we will develop predictive tests using non-financial data to calculate an expected value and compare it to your balances on the trial balance.

We will also look at key ratios involved with changes in capital assets, long-term debt, interest expense, payroll, etc.

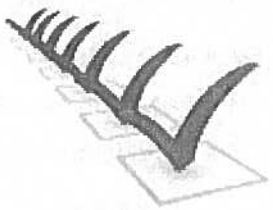
At the end of the fieldwork, after all adjustments by the auditors have been proposed and approved, we will review the balances for reasonableness for your organization and industry standards.

Under the leadership of Farley; Maclen and Katelyn will share most of the involvement in the

planning of the audit. Farley will be directly involved with all key areas of internal control design and implementation with the *City*.

Expected time*:** The planning and the documentation process is expected to take 80 hours. We can start this phase of the audit prior to the ***City's fiscal year-end, in June or a time that is convenient to your organization.

Provided by Client Deliverables



Next, we will prepare a list of deliverables or a "Provide by Client" (PBC) list to facilitate a timely completion of the audit. The PBC list will contain items needed to perform the examination, such as accounting policies, support for account balances, legal letter, etc.

By using the PBC list, we will be able to make the audit run more efficiently, effectively, and minimize the disruption to your staff and facilitate the audit being completed in a timely manner.

We will use the PBC list as a document to keep us and the ***City's*** staff on task and accountable in order to complete the audit in a timely manner. The PBC list will document:

- a description of the item that needs to be delivered,
- who is responsible for submitting the deliverable,
- who prepared the deliverable,
- when the deliverable is due, and
- when the deliverable was actually submitted.

The deliverable due dates will be completed in a collaborative manner between the ***City*** and Hinkle + Landers. The deliverables will be required to be uploaded to Hinkle + Landers' secure client portal, with Sharefile. This portal allows deliverables to be reviewed by all parties, and to document the date/time they are provided. Additionally, it significantly reduces the amount of email requested that are made during the audit. We will be happy to assist you fulfilling the PBC list requirements.

Expected time: This will take approximately 1-2 hours. This will happen concurrently with our planning and will be submitted to the ***City*** in May.

Interim Fieldwork

Due to the earlier due date to the Office of the State Auditor, it may be beneficial to the ***City*** for Hinkle + Landers to conduct interim fieldwork. The interim fieldwork would focus on the test of transactions. This would significantly reduce the test of transactions testing that would be required once the ***City's*** books are closed. **Farley, Maclen, Steve, and Katelyn would be involved in this area of the audit.**

Expected time: This will take approximately 60 hours and would take place in May-June; if it is deemed necessary during our early discussions with Management, City Commissioners, and Elected Officials.

Fieldwork

We will perform our fieldwork in accordance with auditing standards generally accepted in the United States of America and under the requirements of the professional auditing standards.

Our fieldwork will include performing tests of the ***City's*** internal controls and substantive testing of balances and transactions to determine the accuracy of the accounting data. We will also review details that make up many of the account balances during our fieldwork.

We will examine and test compliance with grants, laws, regulations, and contract provisions by testing the internal controls of the grant process and make sure the agreements are being followed properly. We will document our work through audit programs we designed in our planning stage.

Hinkle + Landers' audit staff will perform the fieldwork using a **"paperless" software system** with up-to-date laptop computers equipped with internet access, scanning technologies and accounting software such as **Pro Systems fx Paperless Engagement**, and Microsoft Office 365 products. Our staff has the training and experience to effectively analyze financial and non-financial data with the latest technology.

Our experience with different types of accounting software enable us to work with and extract data for export to our electronic auditing tools from systems such as **Tyler**, MIP, Triadic, Caselle, InCode, Platinum, Banner, Peachtree (Sage 50), QuickBooks, CYMA, FundWare, etc.

Farley, Maclen, and Katelyn will be involved in this area in the audit.

Expected time: The total remaining fieldwork is expected to take approximately 335 hours, which includes time allowed for documentation at our office. Final fieldwork will take place in late August and/or early September, and will ultimately be scheduled based on discussions with you.

Preparation of Audit Report

Financial statements will be prepared based on the working trial balances after the final audit adjustments have been recorded.

Our **Pro Systems fx Paperless Engagement** software enables us to organize your accounting information by self-balancing funds and permits us to compile the audited financial statements very accurately. We will prepare the notes to the financial statements and the accompanying financial schedules required using Microsoft Word and Excel. **Maclen and Katelyn will prepare the audit report and Farley will review.**

Expected time: The preparation of the financials, notes, and other schedules, for the audit is expected to take approximately 136 hours. This will take place at the conclusion of the fieldwork and will be completed in October-November of each year.

Exit Conference

At the conclusion of the audit we will meet with management and/or the audit committee to present the independent audit opinion, the audited financial statements, as well as any audit findings or management advisory letter comments as required per AU-C Section 260.

Based on your preferences, we will meet with Management, City Commissioners, and Elected Officials, as needed. We will go over the draft audit report and we will present our audit results using Microsoft PowerPoint to enhance our communication with Management, City Commissioners, and Elected Officials. The Exit Conference will meet the requirements of "Communication with those in Charge of Governance".

As part of our PowerPoint presentation we will also present in graph and table form several important financial ratios, financial trends and analytical analysis for the past five years (or more years if financial statements are available).

Our communication will also include the following:

- what audit adjustments were made,
- what audit adjustments were not made because of immateriality (if any),
- if there were any disagreements with management,
- if there were any consultations with other accountants on any issues.

Farley and Maclen will attend the exit conference.

Expected time: 1 to 2 hours.

Communication of Findings and Proposed Adjusting Journal Entries

We will communicate potential findings and proposed adjustments **as they occur** so you may research them to clear up any possible misunderstandings.

One of the final steps of the audit will be ensuring that the adjusted trial balance is approved by management. This will minimize any discrepancies in beginning net position and fund balance for the subsequent year audit.

Year-End Feedback and Survey

To ensure we are continuously providing you with excellent service, we will survey your staff at the beginning of the next calendar year. We will also have a "download" meeting after the holiday to go over what worked well, what challenges we faced together, and how to proceed for the following year.

Approach for Subsequent Years/Planning for Next Year

Another distinguishing characteristic of our firm is low turnover. We encourage you to confirm this with our references or with any of our clients. Thus, the ***City*** can expect the same staff to return in subsequent years.

The subsequent years will be similar to the initial year, but will be a more efficient audit experience for your staff because a significant amount of planning can be "rolled forward" and updated. More importantly, we will sharpen our focus and make improvements to the audit process and ensure the process is not predictable as recommended by the auditing standards.

Plans for Working with the Staff

We request the following of the ***City*** Staff:

- Commitment from the top down to complete the audit timely.
- Commitment from management to continue being progressive and responsive to audit team requests.
- PBC list items as timely as possible, with little to no changes to the information provided.
- Status meetings and a high level of problem-solving focused communication.
- Collaboration on any non-audit services such as GASB Implementation (included in fee).
- Any other items outlined above, in the Audit Approach.

E. Uniform Guidance – Single Audit (If Required)

Knowledge of the Standards and Requirements

There is a higher level of oversight in recent years, and now, more than ever, it is important to work with qualified auditors who have an extensive experience with federal grants specific and similar to the ***City***. Your Engagement Partner and Audit Manager(s), all have extensive experience performing single audits, take continuing professional education, and are constantly researching the OMB Uniform Guidance requirements. Therefore, you can be assured the single audit will be performed by a knowledgeable and experienced engagement team.

As you are aware the new Uniform Guidance OMB requirements are in effect for federal grants awarded on or after December 26, 2014. Hinkle + Landers, PC has extensive experience and knowledge regarding the **Uniform Guidance** Single Audit requirements and the applicable laws and regulations associated with it. Below are the resources we use to conduct the Single Audit:

- The specific grant requirements based on the grants agreements and grant awards, federal and state laws and acts,
- Audit reports and/or correspondence from grantor entities or others;
- Uniform Guidance compliance supplements, latest edition;
- Audit Guides and practice aids produced from federal or proprietary sources;
- Single Audit Act Amendment of 1996 (Public law 104-156);

- Uniform Guidance, Cost Principles for State, Local, and Indian Tribal Governments, latest edition;
- Uniform Guidance, Grants and Cooperative Agreements with State and Local Governments, latest edition;
- OMB Catalog of Federal Domestic Assistance (CFDA), latest edition.

Single Audit Approach

Below is our Single Audit Approach, which follows the guidelines of the Single Audit Act and **Uniform Guidance**, beginning with identifying major programs and applicable compliance requirements.

Risk Assessment and Planning

During our risk assessment and planning process, we will gain an understanding and document:

- Your **Schedule of Expenditures of Federal Awards**, to determine if all federal grants and expenditures are accounted for.
- The requirements of **Uniform Guidance**, *Government Auditing Standards*, and the Single Audit Act and to determine if certain programs are mandated as high risk and are required to be audited per federal and local requirements. This will include any audits of these programs you have received from other auditors such as federal or state auditors.
- Identify the programs tested and any findings reported in the prior two fiscal years. Then determine and document the related program risk based on the previous two single audits.
- Using the PPC Single Audit software program, we will determine the current year major programs.
- We will obtain the current year compliance supplement for the selected programs. The compliance supplement will be used to assist us in our determination of Direct and Material compliance requirements, and then customize each audit program accordingly.
- A Risk assessment of your overall internal control structure for compliance over federal programs will be performed.
- A fraud assessment specifically for federal programs will be performed.

Method of Selecting Sample Sizes and Fieldwork

Once we have determined the programs to be audited based on our risk assessments and planning process, we will perform the audit of the programs selected in accordance with **Uniform Guidance**. Because audits of major federal programs require that we issue an opinion on the internal control over the compliance of those federal programs, we are required to select sample sizes large enough for us to give an accurate opinion.

Generally random samples run from 25 to 60, but they can be larger for programs considered higher risk or where deviations are found.

Testing is conducted in areas that are considered Direct and Material and almost always include testing for unallowable costs, unallowable activities and also will include some if not all of the remaining applicable compliance requirements such as, matching requirements, cash management, eligibility, reporting, etc.

Based on our understanding of the design of your controls over compliance and the operating

effectiveness determined from our testing, we will report our opinion on the major programs of the **Uniform Guidance** Single Audit as required by the professional standards.

Final Assessment and Reporting of Single Audit

Similar to our financial audit process, we will re-assess the risks determined in the risk assessment and planning stage of the single audit:

- We perform this re-assessment at the end of the single audit process, as changes may have occurred, which would cause the Schedule of Expenditures of Federal Awards to change.
- We will review the previously selected major programs and ensure that the selection is still valid.
- We will determine if additional audit programs and procedures are required based on our reassessments.
- We will review with the ***City*** any prior year federal findings, and their progress.
- Finally, we will offer our opinion on the internal control over the compliance of the federal major programs.

Throughout the Single Audit process, we will maintain our policy of open communication; with our status meetings and additional communications.

F. GASB Experience

We have applied GASB 34 and 35 and beyond to all of our governmental clients and we keep current on new GASBs and other emerging issues that are relevant to our clients. Through our continuing professional education obtained through classes and seminars sponsored by the AICPA, the New Mexico State Society and the New Mexico State Auditor and our research library we, are up to date on the Professional Accounting Standards that are needed to present your audit report accurately. We will also address the newly issued GASBs that may be relevant to the ***City*** in this current fiscal year, and in subsequent years.

GASB No.	Name	Effective Period (Fiscal Year)
75	Accounting and Financial Reporting for Postemployment Benefits other than Pensions	2018
83	Certain Asset Retirement Obligations	2019
84	Fiduciary Activities	2020
85	Omnibus 2017	2018
86	Certain Debt Extinguishment Issues	2018
87	Leases	2021

Hinkle + Landers, has worked with clients in since 2015, to prepare and correctly present all requirements related to GASB 68 and 82 implementation and New Mexico's PERA. This included calculating several entities' Net Pension Liability, Restatements, Deferred Inflows/Outflows, and related expenses, and documenting our work with detailed workpapers using amounts provided by PERA. Additionally, we

prepared the Required Supplementary Information, government-wide journal entries for the pension liability, and required notes in the Notes to the Financial Statements.

VI. COST PROPOSAL

Our fees are based on the expertise of the individuals assigned and the hours of service performed.

We have included consultation on accounting matters and questions that arise throughout the year as part of our audit fee. If there are circumstances where the ***City*** requests consultation or work performed that would involve considerable more time, we would charge at our hourly rates, upon your approval.

Hourly Billing Rates		Rate
Partner	$	170
Manager	$	115
Staff	$	90

Hinkle + Landers enjoys long-term relationships with its clients. We understand that a first-year audit has more costs associated with it, however, we build these extra costs into our future year fees, which results in a fairly consistent fee from year to year, barring any significant changes.

This cost proposal is for the years ended **June 30, 2018, 2019, and 2020. We will set the maximum fee and will guarantee the cost for the audit as shown in the table below.**

Year Ended	2018		2019		2020	
	Hours	Cost	Hours	Cost	Hours	Cost
Financial Statement Audit	455	$ 50,000	468	$ 51,500	482	$ 53,045
Federal Single Audit	45	5,000	47	5,150	48	5,305
Financial Statement Preparation	136	15,000	140	15,450	145	15,914
Other (i.e., component units, specifically identified)	-	-	-	-	-	-
Provide consultation on small accounting matters and respond to questions that arise from time to time throughout the year.	No Charge					
Subtotal	636	70,000	655	72,100	675	74,263
Plus Gross Receipts Tax @ 7.8750%*		5,513		5,678		5,848
Total	636	$ 75,513	655	$ 77,778	675	$ 80,111

Note that our fees are all-inclusive (travel, lodging, personnel services, fringe benefits, overhead, etc.)
***GRT is subject to change**

Hinkle + Landers, PC's policy for billing on technical matters that arise throughout the year is to not bill for questions that take 15 minutes or less that occur throughout the year.

We are, and will remain, competitive with other firms offering the same level of service. Should you have any questions about our fees, we would appreciate the opportunity to discuss them with you before your final decision.

Cost Overruns

Hinkle + Landers, PC, experiences cost overruns from time to time like all audit firms do. Our policy is to absorb those overruns if it is due to taking on a new client because it is advantageous in maintaining long-term relationships.

THANK YOU

We appreciate the opportunity to be of service to ***City of Las Vegas*** and believe this proposal accurately summarizes the significant terms of the engagement. If you have any questions, please let us know. If the terms of our proposal as described above are to your liking, we will present an engagement letter representing our agreement with you to begin our auditing services.

Dated this 13th day of April 2018

Farley Vener, CPA, CFE, CGMA

Farley Vener, CPA, CFE, CGMA
President and Managing Shareholder
This person whose signature appears above is authorized to contractually bind the offer.

Hinkle + Landers, PC

Main Office
2500 9th St. NW
Albuquerque, NM 87102

Santa Fe Office
404 Brunn School Rd.
Building B
Santa Fe, NM 87505

7. ACCEPTANCE OF CONDITIONS

NOTICE: TO BE A VALID PROPOSAL, PROPOSAL MUST BE SIGNED BELOW

The undersigned certifies that he/she has read and understood the following general conditions and that the firm represented accepts the conditions and submits the attached proposal in full compliance with the General Proposal Conditions.

Hinkle + Landers, PC

Name of Firm

2500 9th St. NW

Mailing Address of Firm City,

Albuquerque, New Mexico, 87102

State and Zip Code Telephone

505-883-8788

Number

505-883-8797

Fax Number

Farley Vener

Signature of Owner, Partner, Officer or Authorized Agent

April 13, 2018

Date

8. TERM

The term of this agreement shall be for a period of one (1) year, subject to annual extensions, if agreed to and approved by the State Auditor, up to 3 years total. Sixty (60) days prior to the end of each year of the agreement, City of Las Vegas may, without stating a cause, give notice of its intention to terminate the contract.

a. Termination

This Contract may be terminated by either of the parties hereto upon written notice delivered to the other party at least ninety (90) days prior to the intended date of termination. The written notice referred herein need not set forth reasons for any such termination. By such termination neither party may nullify obligations already incurred prior to the date of termination. This notice requirement may be shortened only upon a written agreement by the two parties. However, should the Contractor default in the Contract, the City retains the right to terminate this agreement immediately.

OFFEROR INFORMATION

OFFEROR: Hinkle + Landers, PC

AUTHORIZED AGENT: Farley Vener, CPA, CFE, CGMA

ADDRESS: 2500 9th St. NW

TELEPHONE NUMBER (505) 883-8788

FAX NUMBER (505) 883-8797

DELIVERY: _____

NEW MEXICO TAX IDENTIFICATION NUMBER (CRS): 01-808142-00-8

NEW MEXICO CONTRACTORS LICENSE NO.: _____

SERVICE (S: **2018-2019-2020 ANNUAL AUDIT SERVICES**

THE CITY OF LAS VEGAS RESERVES THE RIGHT REJECT ANY OR ALL PROPOSALS AND TO WAIVE ANY TECHNICAL IRREGULARITY IN THE FORM.

AFFIDAVIT FOR FILING WITH COMPETITIVE PROPOSAL

STATE OF New Mexico }

COUNTY OF Bernalillo }

I, of lawful age, being of first duly sworn in oath, say that I am the agent authorized by the offerors to submit the attached proposal. Affiant further states that the offeror has not been a party to any collusion among offerors in restraint of freedom of competition by agreement to a fixed price or to refrain from submitting a proposal; or with any city official or employee as to the quantity, quality or price in the prospective contract, or any other terms of said prospective contract; or in any discussion between offerors with any City official concerning an exchange of money or any other thing of value for special consideration in the letting of a contract.

Farley Vener

Signature

Subscribed and sworn to before me, this 5th day of April, 2018

(SEAL)

OFFICIAL SEAL
JAZMIN MARQUEZ
NOTARY PUBLIC - State of New Mexico
My commission expires 02/26/19

Jazmin Marquez

Notary Public Signature

My Commission Expires: 02/26/19

SECTION 00410
NON-COLLUSION AFFIDAVIT OF PRIME CONTRACTOR

State of New Mexico)
)
County of San Miguel)

I, Farley Vener being first duly sworn, depose and say that:

(1) He/She is the President & Managing Shareholder of Hinkle + Landers, PC the Bidder that has submitted the attached Bid.

(2) He/She is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid.

(3) Such Bid is genuine and is not a collusive or sham Bid.

(4) Neither the said Bidder nor any of its partners, officers, owners, agents, representatives, employees, or parties in interest, including this affidavit, has in anyway colluded, conspired, connived or agreed, directly or indirectly with any Bidder, firm, or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such contract, sought by agreement or collusion or communication or conference with any other Bidder, firm or person to fix the price or prices in the attached Bid or of any other Bidder, or to fix any overhead, profit or cost element of the Bid price or the Bid price of any other Bidder or to secure through any collusion, conspiracy or conveyance or unlawful agreement any advantage against the owner or any person interested in the proposal Contract; and

(5) The price or prices quoted in the attached Bid are fair and are not tainted by any collusion, conspiracy, conveyance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees or parties of interest, including this affiant.

/s/ Farley Vener

Subscribed and sworn before me this 5th day of April, 2015. 18 JXM 7V

NOTARY PUBLIC: Jazmin Marquez My Commission Expires: 02/26/2019

OFFICIAL SEAL
JAZMIN MARQUEZ
NOTARY PUBLIC - State of New Mexico
02/26/19

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to Chapter 81, Laws of 2006, any prospective contractor seeking to enter into a contract with any state agency or local public body must file this form with that state agency or local public body. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars ($250) over the two year period.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

"**Applicable public official**" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

"**Campaign Contribution**" means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

"**Contract**" means any agreement for the procurement of items of tangible personal property, services, professional services, or construction.

"**Family member**" means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

"**Pendency of the procurement process**" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

"**Person**" means any corporation, partnership, individual, joint venture, association or any other private legal entity.

"**Prospective contractor**" means a person who is subject to the competitive sealed

proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

"Representative of a prospective contractor" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(The above fields are unlimited in size) _____

_____ _____
Signature Date

_____
Title (position)

-OR-

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS ($250) WERE MADE to an applicable public official by me, a family member or representative.

Farley Venes April 13, 2018
Signature Date

President & Managing Shareholder
Title (Position)

FIRM PROFILE

Hinkle + Landers, PC has been serving clients since 1972. William (Bill) Hinkle moved to Albuquerque from Denver in 1972, and in 1974, Bill incorporated his proprietorship; doing business as Bill Hinkle, CPA. Roberto Martinez, CPA joined as an audit partner in the mid 80's. At that point, the firm's name was changed to Hinkle & Martinez. In 1998, Nick Landers, CPA joined the firm as a shareholder and the name was changed to Hinkle + Landers, PC.

In 2011, Farley Vener, CPA, CFE, CGMA, who, at that time, had been with the firm for 18 years, **became the President and Managing Shareholder of the firm**. Under Farley's leadership Hinkle + Landers has been **steadily growing**. In 2015, H+L opened an office in **Santa Fe**.

Hinkle + Landers is different from other firms because we believe in sustaining our relationships with not only **our clients**, but also with **our staff members**. We do not work with "Seasonal Audit Contractors" because we believe it is important to be able to contact us year-round. This results in a **better product, higher quality of service, and long-term relationships**. Our 44 years in business is a testament to this policy.

Hinkle + Landers has distinguished itself by providing **personal service,** which results in **long-term relationships as a trusted partner** for over 700 clients in a variety of industries; such as non-profits, state and local governments, small businesses, and individuals. As a local CPA firm, we believe in giving back to our New Mexico community so we can make a positive difference in our state.

Hinkle + Landers strives to serve the individual needs of each client with consideration and attention to detail, to ensure that every client's needs are met with the **highest quality of work**.

These goals require our auditors to keep abreast of the latest accounting standards and pronouncements, along with changes in laws and reporting requirements allowing us the familiarity of specific technical demands of auditing nonprofits and governments. In addition, our bookkeepers, tax managers and tax preparers remain up-to-date on the latest interpretations of the tax law and accounting pronouncements. **Our clients directly benefit from this vast experience and deep expertise.**

Hinkle + Landers has a long history of providing accounting services for non-profits, **local and state governmental entities, for-profits, schools, day cares**, as well as **pension plans**. Hinkle + Landers has the resources, personnel, and experience to perform audits for small and large entities. Regardless of the size of an organization, **each client receives year-round, high quality, local service.**

We understand our clients expect services provided by their professional accounting firm to extend beyond the financial statements. We welcome the opportunity to serve, not only as **auditors**, tax preparers, and bookkeepers, but also as **professional consultants** who help you succeed in achieving your goals.

As auditors, we use a **collaborative** style while staying **independent**. Through this style we are able to communicate useful knowledge to you, the client, and we learn valuable information about your organization that makes us better accountants. This results is a "**win-win**" for you the client, and us the firm in performing the engagement.

We believe that **communication is essential to each client relationship**. We welcome your questions year-round and strive to conduct your audit with as minimal of an intrusion to you as possible. We are truly your **year-round service provider**.

Some of the services we provide include:

- financial planning,
- strategic business planning and new business set up,
- tax planning & preparation,
- estate & trust planning,
- consulting,
- part-time CFO services,
- software counseling,
- bookkeeping,
- payroll services,
- agreed upon procedures,
- CYFD Grant AUP,
- Retirement Plan Audits (401k, 403b, etc.),
- forensic and fraud audits,
- and compliance reviews.

STATE OF NEW MEXICO

TAXATION AND REVENUE DEPARTMENT

RESIDENT BUSINESS CERTIFICATE

Issued to: **HINKLE & LANDERS, P.C.**

DBA: **HINKLE & LANDERS, P.C.**
2500 9TH ST NW
ALBUQUERQUE, NM 87102-1055

Expires: **21-Apr-2019**

Certificate Number:

L0985561648

Demesia Padilla, CPA, Cabinet Secretary

THIS CERTIFICATE IS NOT TRANSFERABLE

Stone, McGee & Co.
Certified Public Accountants
CPA
The CPA, Never Underestimate the Value.®

MIKE STONE, C.P.A.
LINDA STONE McGEE, C.P.A.
KAY STONE, C.P.A.
JARROD MASON, C.P.A.
KELLEY WYATT, C.P.A

RYAN MONTOYA, C.P.A.

1311 N. GRANT ST.
P.O. BOX 2828
SILVER CITY, NEW MEXICO 88062
TELEPHONE (575) 388-1777
(575) 538-3795
FAX (575) 388-5040
E-MAIL: admin@stone-mcgee.com

Report on the Firm's System of Quality Control

March 24, 2017

To the Shareholders of Hinkle & Landers, P.C.
And the Peer Review Committee of the Colorado Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Hinkle & Landers, P.C. (the firm) in effect for the year ended September 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Hinkle & Landers, P.C. in effect for the year ended September 30, 2016 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies), or fail.* Hinkle & Landers, P.C. has received a peer review rating of *pass.*

Stone, McGee & Co., CPAs

Stone, McGee & Co.
Certified Public Accountants

COCPA Colorado Society of Certified Public Accountants

COCPA Peer Review Program Administered in Colorado
for Colorado and New Mexico
by the Colorado Society of Certified Public Accountants

Colorado Society of Certified Public Accountants
7887 E. Belleview Ave., Suite 200
Englewood, CO 80111-6076
303-773-2877 | 800-523-9082

September 11, 2017

Farley Vener
Hinkle & Landers, P.C.
2500 9th St NW
Albuquerque, NM 87102 1055

Dear Farley Vener:

It is my pleasure to notify you that on September 07, 2017, the Colorado Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is March 31, 2020. This is the date by which all review documents should be completed and submitted to the administering entity. If your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation and support of the profession's practice-monitoring programs.

Sincerely,

Marcia J. Hein

Marcia J. Hein, CPA
Chair, Colorado Society of CPAs
marcia@mjh-cpa.com 303-773-2877
Colorado Society of CPAs

CC: James Stone

Firm Number: 900010094207 Review Number: 495933

FARLEY VENER, CPA, CFE, CGMA
PRESIDENT AND MANAGING SHAREHOLDER

Certification Information:

Designation	Date Obtained	State of Issuance	Certificate Number
CPA	10/20/2000	New Mexico	5122
CFE	1/15/2005	N/A	130701
CGMA	11/18/2014	N/A	110055112

Education

Post-graduate courses in Accounting, May, 1995
Post-graduate courses in Education, December, 1993
BBA in Marketing Management, University of New Mexico, December, 1989

Certified Public Accountant (CPA) License Number 5122
Certified Fraud Examiner (CFE) License Number 130701
Certified Global Management Accountant (CGMA)

Experience

22 years in public accounting

Career Experience

July 2011, to present, Hinkle + Landers, P.C., President and Managing Shareholder
September 2002 to June 2011, Hinkle + Landers, P.C., Vice-President and Shareholder
February 1997 to September 2002, Hinkle + Landers, P.C., Staff, Senior and Manager
August 1996 to January 1997, Chester Mattocks, CPA, Albuquerque, NM, Staff Auditor

Professional Organizations

American Institute of Certified Public Accountants 1997-present
New Mexico Society of Certified Public Accountants 1997-present
Association of Certified Fraud Examiners 2004-present
Association of Governmental Accountants 2008-present
Executive Association of Greater Association June 2011 to present
New Mexico Society Peer Review Committee 2003-2010

Municipal and County Audits

1. City of Carlsbad	*	2016 - 2017
2. City of Carlsbad Lodger's Tax audit		2016 - 2017
3. City of Clovis	*	2009 - 2017
4. City of Gallup	*	2016 - 2017
5. City of Rio Communities		2015 - 2017
6. Sandoval County	*	2016 - 2017
7. McKinley County	*	2017 - 2017
8. Torrance County		2017 - 2017
9. Village of Corrales	*	2002-2005 , 2014-2016
10. Dona Aña County	*	2010 - 2015
11. Socorro County		2014 - 2015
12. City of Alamogordo	*	2005 - 2014
13. City of Alamogordo Lodger's Tax audit		2005 - 2014
14. City of Belen	*	2004 - 2008
15. Village of Los Ranchos de Albuquerque	*	2003 - 2008
16. Valencia County	*	2001 - 2006
17. City of Espanola	*	2005 - 2005
18. Town of Edgewood	*	2005 - 2005

FARLEY VENER, CPA, CFE, CGMA
PRESIDENT AND MANAGING SHAREHOLDER

19. Village of Bosque Farms	*	2002 - 2004
20. Village of Corrales Lodger's Tax audit		2004 - 2004
21. Village of Corrales, special audit of the Village Court		2004 - 2004
22. City of Moriarty	*	1998 - 2003
23. City of Santa Rosa		2002 - 2003
24. Village of Jemez Springs		2002 - 2002
25. Bernalillo County	*	2000 - 2000

State Agency Audits

1. 3rd Judicial District Court		2015 - 2017
2. Eastern Plains Council of Governments	*	2006 - 2017
3. New Mexico Judicial Standards Commission		2006 - 2017
4. Northwest NM Regional Solid Waste Authority		2013 - 2017
5. 5th Judicial District Attorney's Office		2016 - 2017
6. New Mexico Adult Parole Board		2016 - 2017
7. New Mexico Administrative Hearings Office		2016 - 2017
8. New Mexico Workers' Compensation Administration		1998-1999 , 2017
9. Southwest New Mexico Council of Governments		2017 - 2017
10. Eastern Area Workforce Development Board	*	2011 - 2016
11. New Mexico Board of Nursing		2011 - 2016
12. Northern Area Local Workforce Development Board	*	2008 - 2016
13. Office of the State Engineer/Interstate Stream Commission	*	2007 - 2016
14. 13th Judicial District Court's Office		2007 - 2016
15. South Central NM Council of Governments	*	2004 - 2015
16. Southwestern Area Workforce Development Board	*	2004 - 2015
17. 11th Division I, Judicial District Attorney's Office	*	2007 - 2015
18. 12th Judicial District Attorney's Office		2005 - 2015
19. 6th Judicial District Court's Office		2013 - 2015
20. New Mexico Department of Homeland Security and Emergency Mgt.	*	2013 - 2015
21. 6th Judicial District Attorney's Office	*	2009 - 2014
22. Cumbres Toltec Scenic RR Commission		2012 - 2014
23. New Mexico Department of Military Affairs	*	1998, 2008 - 2014
24. Cooperative Educational Services		2013 - 2013
25. New Mexico Commissioner of Public Lands		2013 - 2013
26. New Mexico Department of Cultural Affairs	*	2013 - 2013
27. New Mexico Regulation and Licensing Department		2013 - 2013
28. Northwest NM Council of Governments	*	2002 - 2013
29. Mid-Region Council of Governments	*	2005 - 2009
30. Workforce Connection of Central New Mexico	*	2003 - 2009
31. 7th Judicial District Attorney's Office		2007 - 2008
32. NM Department of Tourism		2002 - 2007
33. 13th Judicial District Attorney's Office		2002 - 2006
34. 2nd Judicial District Attorney's Office	*	2005 - 2005
35. New Mexico Department of Labor	*	1997 - 2002
36. New Mexico Martin Luther King Jr. Commission		1997 - 2002
37. New Mexico Public Education Department	*	2001 - 2002
38. New Mexico Department of Energy and Minerals	*	2000 - 2000
39. Administrative Office of the Courts of New Mexico	*	1996 - 1996
40. New Mexico Livestock Board	*	1996 - 1996
41. The Court of Appeals of New Mexico		1996 - 1996
42. The Supreme Court of New Mexico	*	1996 - 1996

FARLEY VENER, CPA, CFE, CGMA
PRESIDENT AND MANAGING SHAREHOLDER

Local Governmental Special Districts

1. Edgewood Soil and Water District		2008 - 2017
2. Eldorado Area Sanitation District		2016 - 2017
3. North Central Regional Transit District	*	2008 - 2016
4. Camino Real Regional Utility Authority		2012 - 2015
5. Eastern New Mexico Water Utility Authority	*	2011 - 2014
6. Middle Rio Grande Conservancy District		2001 - 2002

Housing Authorities

1. Gallup Housing Authority, A Component Unit of the City of Gallup	*	2016 - 2017
2. City of Raton Housing Authority	*	2017 - 2017
3. City of Alamogordo Housing Authority	*	2005 - 2014
4. County of Dona Ana Housing Authority	*	2010 - 2012
5. City of Espanola Housing Authority	*	2005 - 2005

Non-Profit Healthcare Clinics

1. Mora Valley Community Health Services	*	2008-2012 , 2016-2017
2. Pecos Valley Medical Center	*	2010-2013 , 2015-2017
3. El Centro Family Health Center	*	2011 - 2016
4. First Nations Community Health Source	*	2010 - 2014
5. La Clinica de Familia	*	2003 - 2011
6. La Clinica del Pueblo de Rio Arriba	*	2003 - 2008
7. La Clinica Foundation		2003 - 2008
8. Las Clinicas Del Norte	*	1997 - 1997

Not-For-Profit Organizations Audits:

1. National Indian Council on Aging, Inc.	*	2016 - 2017
2. Greater Albuquerque Habitat for Humanity		2015 - 2017
3. New Mexico Wilderness Alliance		2015 - 2017
4. The Life Link and Controlled Affiliates	*	2012 - 2017
5. Steelbridge (Albuquerque Rescue Mission)		1998 - 2017
6. Clothes Helping Kids		2012 - 2017
7. Spanish Colonial Arts Society, Inc.		2012 - 2017
8. American Civil Liberties Union of New Mexico and Foundation		2009 - 2017
9. New Mexico Passenger Transportation Association		2008 - 2017
10. Great Southwest Council, Boy Scouts of America		2007 - 2017
11. Supportive Housing Coalition of New Mexico and Controlled Affiliates	*	2008 - 2017
12. YMCA and YMCA Foundation	*	2013 - 2017
13. Biomedical Research Institute of New Mexico	*	2016 - 2017
14. Enlace Comunitario	*	2016 - 2017
15. New Mexico Legal Aid, Inc.		2016 - 2017
16. Realtors Association of New Mexico		2012 - 2017
17. Good Shepherd Center, Inc.		2009 - 2017
18. Manuelito Navajo Children's Home		1998 - 2017
19. Choices for Families	*	2015 - 2017
20. NM Steam Locomotive Railroad Historical Society		2002 - 2017
21. A Child's Garden of the First Presbyterian Church		1997 - 2017
22. JATC - Building Corporation		1998 - 2017
23. Joint Apprenticeship and Training Committee for the Elec. Industry		1998 - 2017
24. Santa Fe Desert Chorale		2015 - 2017
25. United Way of Santa Fe County, Inc.		2017 - 2017
26. Youth Shelters and Family Services, Inc.	*	2017 - 2017
27. National Indian Youth Council, Inc.	*	2017 - 2017
28. Performance Santa Fe		2017 - 2017
29. Holistic Management International		2017 - 2017
30. New Mexico Coalition to End Homelessness		2017 - 2017

FARLEY VENER, CPA, CFE, CGMA
PRESIDENT AND MANAGING SHAREHOLDER

31. Community Action Agency		2017 - 2017
32. Ventana Fund		2017 - 2017
33. New Mexico Breastfeeding Taskforce		2017 - 2017
34. New Mexico One Call 811		2016 - 2017
35. John's Family Foundation		2016 - 2017
36. Albuquerque Youth Symphony Programs		2016 - 2017
37. Southwest Creation Collaborative		2016 - 2017
38. Las Cumbres Community Services		2017 - 2017
39. Coronado Children's Center		2016 - 2017
40. Haven House		2017 - 2017
41. Family Housing Development Corporation		2017 - 2017
42. Quivira Coalition, Inc.		2017 - 2017
43. Tijeras Foundation		2017 - 2017
44. American Indian Science and Engineering Society		2015 - 2016
45. National Alliance on Mental Illness, New Mexico		2010 - 2016
46. NurseAdvice New Mexico		2010 - 2016
47. New Mexico Wildlife Federation		2014 - 2016
48. Center for Action and Contemplation		2010 - 2016
49. La Luz Early Childhood Center		2010 - 2016
50. Holt - Smithson Charitable Trust		2016 - 2016
51. National Hispanic Cultural Center Foundation		2009 - 2015
52. Community Dental Services		2015 - 2015
53. New Mexico Annual Conference of United Methodist Church		2007 - 2014
54. Excel Education Enterprises		2010 - 2014
55. Joy Junction		2007 - 2014
56. Forest Guild		2011 - 2014
57. First Unitarian Church of Albuquerque		2014 - 2014
58. Health Action New Mexico		2013 - 2014
59. Rape Crisis Center of Central New Mexico		2007 - 2013
60. WESST	*	2005 - 2013
61. Albuquerque Meals on Wheels		2000 - 2013
62. Presbytery del Cristo		2010 - 2012
63. New Mexico Baptist Children's Home		1998 - 2012
64. New Mexico Coalition Against Domestic Violence	*	2010 - 2012
65. New Mexico Coalition of Sexual Assault Programs	*	2010 - 2012
66. Transitional Living Services	*	1997, 2003 - 2012
67. Community Health Charities of New Mexico		1999 - 2011
68. St. Mark's in the Valley Day School		2009 - 2011
69. Academy for Technology and the Classics Foundation		2006 - 2010
70. A Better Way of Living		2003 - 2009
71. State of New Mexico Board of Bar Examiners		2007 - 2009
72. New Mexico Primary Care Association		1999 - 2007
73. PB&J Family Services, Inc. w/single audit	*	2003 - 2007
74. RCI		2006 - 2006
75. New Mexico Manufacturing Extension Partnership w/single audit	*	2005 - 2005
76. Sickle Cell Council of New Mexico, Inc.		1999 - 2004
77. New Mexico MESA, w/single audit	*	2003 - 2004
78. Albuquerque Family and Child Guidance Center		2003 - 2004
79. Bridges for Women		1997, 2003 - 2004
80. New Mexico Baptist Church Finance Corporation		1998 - 2003
81. New Mexico Baptist Foundation		1998 - 2003
82. Christian Broadcasting Academy (KLYT)		1997 - 2002
83. Ganados Del Valle		1999 - 2002
84. The Albuquerque Aquarium Association		1997 - 2000
85. National Atomic Museum Foundation		1998 - 2000
86. New Mexico Zoological Society		1998 - 1998
87. Pounders		1998 - 1998
88. Tree New Mexico		1998 - 1998
89. Cooperative Regional Educational Center		1997 - 1997

FARLEY VENER, CPA, CFE, CGMA
PRESIDENT AND MANAGING SHAREHOLDER

Churches:

1. Sandia Presbyterian Church		1998 - 2015
2. Bethel Baptist Church of Alamogordo		2007, 2009 , 2012
3. Asbury United Methodist Church		2000 - 2011
4. The Cathedral Church of St. John's		2007 - 2011
5. Emmanuel Baptist Church of Farmington		2005 - 2005
6. St. John's United Methodist Church		1998 - 2004

Non-Profit Private Foundations

1. Con Alma Health Foundation		2007 - 2013
2. Frederick Hammersley Foundation		2012 - 2012

Common Interest Realty Association Audits

1. Tanoan Community Homeowner's Association		2003 - 2017
2. Hillcrest Park Condominium Homeowners' Association		2003 - 2017
3. Echo Ridge Cooperative		1997, 2010 - 2017
4. Las Campanas Master Association, Inc.		2016 - 2017
5. RainbowVision of Santa Fe Homeowners' Association		2011 - 2013
6. Park Plaza		2004, 2006 - 2009
7. Greenbrier (HUD Cooperative)		1997 - 1997

For Profit Businesses

1. The Downs at Albuquerque Racetrack and Casino		2006 - 2017
2. RC Gaming		2006 - 2017
3. Rio Costilla Cooperative Livestock Association		2011 - 2017
4. Southwest Child Care, Inc.		2013 - 2016
5. Blue Bird Day Care and Learning Center		2016 - 2016
6. Aviata, LLC		2013 - 2015
7. Native Resources Development Inc.		2008 - 2014
8. Rainbow Vision of Santa Fe, LLC		2011 - 2013
9. Santa Fe Protection Services		2007 - 2008
10. Los Niño's Therapy Center		2001 - 2004
11. Sandia Title Company		2002 - 2004
12. Residential Resorts, Inc.		2003 - 2003

Low Income Housing Tax Credit Entities

1. Downtown @700-2nd Limited Partnership		2010 - 2017
2. Chuska Apartments Limited Partnership		2010 - 2017
2. Rio Pecos Estates Limited Partnership		2012 - 2017
4. La Luz Limited Partnership		2012 - 2017

Employment Benefit Plans (ERISA)

1. El Centro Family Health 401(k) audit		2014 - 2017
2. Native Resources Development Inc. 401(k)		2009 - 2016
3. Hope Christian Schools 403(b) Plan		2009 - 2016
3. Hidalgo Medical Services 401(k) Plan		2013 - 2015
4. La Clinica de Familia 401(k) audit		2004 - 2011
5. Academy Corporation 401(k) audit		2003 - 2010

Schools, Local Governmental Higher Education and School Districts

1. Cobre Consolidated School District	*	2016 - 2017
2. Hope Christian Schools and Controlled Affiliate		2002 - 2017
3. Rehoboth Christian Schools		2017 - 2017
4. CNM Foundation (compilation of financial statements only)		2007 - 2007
5. Santa Fe Community College	*	2001 - 2001
6. St Mary's School in Belen		1999 - 2000
7. Los Alamos Public School System	*	1998 - 1998
8. Commission on Higher Education	*	1998 - 1998

FARLEY VENER, CPA, CFE, CGMA
PRESIDENT AND MANAGING SHAREHOLDER

Agreed Upon Procedures (Tier 3)

1. Acequia de los Pinos 2016 - 2016

Tribal Governments

1. Acoma-Canoncito-Laguna Hospital Board WIC Program * 2008-2011 , 2014-2016
2. Kinteel Residential Campus, Inc. * 2008 - 2011
3. Pueblo of San Felipe – Special procedures audit 2004 - 2004

Fraud Audits: (There are several others that are not public knowledge)

1. City of Alamogordo - Special Audit of Utility Billing Cust Svc Depart. 2011 - 2014
2. Goodwill Industries - Special Audit 2010 - 2010
3. Village of Corrales, Special audit of the Municipal Court 2005 - 2005
4. Pueblo of San Felipe – Special procedures audit 2004 - 2004

Other Experience:

1. Received securities license series 6 and offered investments to personal investors for 2 years
2. Taught middle school social studies (2 years)

Other Organizations:

1. New Mexico Public Accountancy Board Member - Nov. 2012-Present
2. Association of Certified Fraud Examiners, Board Member 2012-2014
3. Association of Certified Fraud Examiners, Board Treasurer 2008-2012
4. Albuquerque Speech Language & Hearing Center Board Treasurer 2002-2005

***All Audits with an asterisk, denote that a Uniform Guidance Single Audit was also conducted.**

MACLEN ENRIQUEZ, CPA
SENIOR AUDIT MANAGER

Certification Information:

Designation	Date Obtained	State of Issuance	Certificate Number
CPA	12/17/2015	New Mexico	6998

Education:

Bachelor of Business Administration - Accounting, University of New Mexico, May 2009
Graduated Magna Cum Laude

Certified Public Accountant (CPA)

Experience

9 years in public accounting

Career Experience

June 2009 to present, Hinkle + Landers, P.C.

Professional Organizations

New Mexico Society of Certified Public Accountants, 2009-Present

Municipal and County Audits

1. Torrance County		2017 - 2017
2. City of Carlsbad	*	2016 - 2017
3. City of Carlsbad Lodger's Tax audit		2016 - 2017
4. City of Clovis	*	2012 - 2017
5. Socorro County	*	2014 - 2014

State Agency Audits

1. 5th Judicial District Attorney's Office		2016 - 2017
2. Eastern Plains Council of Governments	*	2006 - 2017
3. Ruth Visage Senior Apartments	*	2012 - 2017
4. Southwest New Mexico Council of Governments		2017 - 2017
5. Office of the State Engineer/Interstate Stream Commission	*	2009 - 2016
6. Eastern Area Workforce Development Board	*	2012 - 2016
7. Northern Area Local Workforce Development Board	*	2009 - 2016
8. NM Department of Homeland Security	*	2015 - 2015
9. Southwestern Area Workforce Development Board	*	2009 - 2015
10. South Central NM Council of Governments	*	2009 - 2015
11. 11th Division I, Judicial District Attorney's Office	*	2009 - 2015
12. New Mexico Department of Military Affairs	*	2009 - 2013
13. Department of Cultural Affairs		2013 - 2013
14. Department of Regulation and Licensing		2013 - 2013
15. Northwest NM Council of Governments		2009 - 2011
16. 13th Judicial District Court's Office		2009 - 2011
17. 6th Judicial District Attorney's Office	*	2009 - 2011
18. Workforce Connection of Central NM	*	2009 - 2009
19. Mid-Region Council of Governments	*	2009 - 2009

MACLEN ENRIQUEZ, CPA
SENIOR AUDIT MANAGER

20. 12th Judicial District Attorney's Office		2009 - 2009
21. NM Department of Worker's Compensation		2009 - 2009

Not-For-Profit Organizations Audits

1. New Mexico Legal Aid	*	2017 - 2017
2. Ventana Fund		2017 - 2017
3. Community Action Agency of Southern NM	*	2017 - 2017
4. Supportive Housing Coalition of New Mexico	*	2011 - 2017
5. Vista Gallinas Community Partnership	*	2009 - 2017
6. AMHHC Project #I, In. HUD Project #116-HD012	*	2009 - 2017
7. Spanish Colonial Arts Society, Inc.		2014 - 2017
8. National Indian Council on Aging, Inc.	*	2016 - 2016
9. American Indian Science and Engineering Society		2015 - 2016
10. Steelbridge (Albuquerque Rescue Mission)		2009 - 2015
11. New Mexico Annual Conference of United Methodist Church		2014 - 2014
12. Forest Guild	*	2011 - 2014
13. National Alliance on Mental Illness, New Mexico		2010 - 2014
14. National Hispanic Cultural Center Foundation		2009 - 2014
15. Manuelito Navajo Children's Home		2010 - 2013
16. Rape Crisis Center of Central New Mexico		2009 - 2013
17. First Nations Community HealthSource, Inc.	*	2011 - 2012
18. Transitional Living Services	*	2009 - 2012
19. New Mexico Coalition Against Domestic Violence	*	2010 - 2011
20. Kinteel Residential Campus	*	2009 - 2011
21. Academy for Technology and the Classics Foundation		2008 - 2011
22. A Child's Garden of the First Presbyterian Church		2009 - 2011
23. NurseAdvice New Mexico		2010 - 2011
24. Community Health Charities		2009 - 2010
25. Con Alma Health Foundation		2010 - 2010
26. WESST	*	2009 - 2009
27. State of New Mexico Board of Bar Examiners		2009 - 2009
28. Disability Services, Inc.		2009 - 2009

Common Interest Realty Association Audits

1. Las Campanas Master Association, Inc.	2016 - 2017
2. Hillcrest Park Condominium Homeowners' Association	2009 - 2017
3. Tanoan Community Homeowner's Association	2009 - 2014
4. Echo Ridge Cooperative	2011 - 2011
5. Park Plaza Condominium Homeowners' Association	2009 - 2009

Low Income Housing Tax Credit Entities

1. Downtown @700-2nd Limited Partnership	2010 - 2017
2. Chuska Apartments Limited Partnership	2010 - 2017
3. Rio Pecos Estates Limited Partnership	2012 - 2017

For Profit Businesses

1. The Downs at Albuquerque Racetrack and Casino	2017 - 2017
2. Suburban Mortgage Company	2009 - 2010

Non-Profit Healthcare Clinics

1. Pecos Valley Medical Center	*	2015 - 2017
2. Mora Valley Community Health Services	*	2016 - 2017
3. La Clinica de Familia	*	2010 - 2011

MACLEN ENRIQUEZ, CPA
SENIOR AUDIT MANAGER

Schools, Local Governmental Higher Education and School Districts

1. Hope Christian Schools and Controlled Affiliate 2016 - 2017
2. Rehoboth Christian Schools 2017 - 2017

***All Audits with an asterisk, denote that a Uniform Guidance Single Audit was also conducted.**

STEPHEN D. NOLAN, CPA
AUDIT MANAGER

Certification Information:

Designation	Date Obtained	State of Issuance	Certificate Number
CPA	7/25/1997	New Mexico	4661

Education

Post-graduate courses in accounting, University of New Mexico
BBA, University of New Mexico
BAS, University of New Mexico

Certified Public Accountant (CPA)

Experience

20 years public accounting
20 years as office manager and accountant for consulting geologist

Career Experience

July, 1998 to present, Hinkle + Landers, P.C.
February 1996 to July 1998, Frank R. Murillo, CPA, Albuquerque Staff Accountant

Professional Organizations

American Institute of Certified Public Accountants 1997-present
New Mexico Society of Certified Public Accountants 1997-present

Municipal and County Audits

1. City of Clovis	*	2009 - 2017
2. City of Carlsbad	*	2016 - 2017
3. City of Rio Communities		2015 - 2017
4. City of Carlsbad Lodger's Tax audit		2016 - 2016
5. City of Gallup	*	2016 - 2016
6. Sandoval County	*	2016 - 2016
7. Doña Ana County	*	2010 - 2015
8. Socorro County	*	2015 - 2015
9. City of Alamogordo	*	2005 - 2014
10. City of Alamogordo Lodger's Tax audit		2005 - 2014
11. City of Belen	*	2005 - 2008
12. Town of Edgewood	*	2005 - 2005
13. Village of Corrales	*	2005 - 2005
14. City of Espanola	*	2005 - 2005
15. City of Moriarty	*	1998 - 2003
16. City of Santa Rosa		2002 - 2003
17. Village of Jemez Springs		2002 - 2002
18. Village of Los Ranchos de Albuquerque		1998 - 1999
19. Village of Tijeras	*	1998 - 1999

STEPHEN D. NOLAN, CPA
AUDIT MANAGER

State Agency Audits

1. Cumbres Toltec Scenic RR Commission		2012 - 2014
2. 13th Judicial District Court's Office		2007 - 2013
3. Office of the State Engineer/Interstate Stream Commission	*	2012 - 2013
4. New Mexico Regulation and Licensing Division		2013 - 2013
5. Northwest NM Council of Governments	*	2003 - 2012
6. 7th Judicial District Attorney's Office		2007 - 2008
7. 13th Judicial District Attorney's Office		2002 - 2006
8. New Mexico Council of Crime & Delinquency		1998 - 2004
9. Cooperative Educational Services		2000 - 2004
10. Sandoval County Economic Opportunity Corporation	*	1996 - 2003
11. NM Department of Tourism		2002 - 2003
12. NM Department of Education	*	2002 - 2002
13. New Mexico Department of Cultural Affairs	*	1996 - 1997
14. NM Livestock Board	*	1996 - 1997

Local Governmental Special Districts

1. Edgewood Soil and Water District		2008 - 2017
2. Acequia de Los Pinos		2016 - 2016
3. Camino Real Regional Utility Authority		2012 - 2015
4. Eastern New Mexico Water Utility Authority	*	2011 - 2014

Local Governmental Housing Authorities

1. City of Alamogordo Housing Authority	*	2005 - 2013
2. County of Dona Ana Housing Authority	*	2010 - 2012
3. City of Espanola Housing Authority	*	2005 - 2005

Non-Profit Healthcare Clinics

1. La Clinica de Familia	*	2005 - 2011

Not-For-Profit Organizations Audits

1. A Child's Garden		2004 - 2017
2. NM Steam Locomotive Railroad Historical Society		2004 - 2017
3. Presbytery of Santa Fe		2005 - 2017
4. Presbytery del Cristo		2008 - 2014
5. Supportive Housing Coalition of New Mexico and Controlled Affiliates	*	2008 - 2013
6. Manuelito Navajo Children's Home		2002 - 2013
7. St Mark's In The Valley Day School		2009 - 2011
8. Excel Education Enterprises		2010 - 2011
9. Junior Achievement of New Mexico		2002 - 2010
10. Albuquerque Meals on Wheels, Inc		2000 - 2010
11. Center for Action and Contemplation		2010 - 2010
12. Great Southwest Council, Inc., Boy Scouts of America		2007 - 2010
13. New Mexico Primary Care Association	*	2006 - 2009
14. Haven House		2004 - 2009
15. A Better Way of Living		2005 - 2009
16. People Living Through Cancer		2001 - 2005
17. VIDA	*	2000 - 2004
18. Nazarene Indian Bible College		1998 - 2004
19. Bridges for Women		2000 - 2004
20. Junior Achievement of the Desert Southwest		2003 - 2004
21. Cuidando Los Niño's, Inc.		2000 - 2002
22. Central Baptist Association		2002 - 2002

STEPHEN D. NOLAN, CPA
AUDIT MANAGER

23. New Mexico Baptist Foundation	2000 - 2000
24. Albuquerque Rescue Mission	1998 - 1998
25. New Mexico Baptist Children's Home	1998 - 1998
26. Baptist Convention of New Mexico	1998 - 1998
27. Bible Study Fellowship - Westside Womens' Class	1998 - 1998
28. Catholic Social Services	1998 - 1998

Schools, Local Governmental Higher Education and School Districts

1. Hope Christian Schools and Controlled Affiliates	2007 - 2013
2. Victory Christian School	2012 - 2012
3. CNM Foundation (compilation of financial statements only)	2007 - 2007

Common Interest Realty Association Audits

1. RainbowVision of Santa Fe Homeowners' Association	2011 - 2013
2. Hillcrest Park Condominium Homeowners' Association	2003 - 2008

Churches

1. Sandia Presbyterian Church	2009 - 2017
2. First Unitarian Church	2015 - 2017
3. Bethel Baptist Church of Alamogordo	2007, 2009 - 2012
4. Central United Methodist Church	2007 - 2009
5. Emmanuel Baptist Church of Farmington	2002 - 2005
6. First Presbyterian Church	2001 - 2004
7. Hoffmantown Church	2000 - 2002
8. Heights Cumberland Presbyterian Church	2000 - 2002
9. Asbury United Methodist Church	1998 - 2002
10. Placitas Presbyterian Church	1995 - 1996

For Profit Businesses

1. RC Gaming	2006 - 2017
2. Rio Costilla Cooperative Livestock Association	2011 - 2017
3. The Downs at Albuquerque Racetrack and Casino	2006 - 2015
4. Native Resources Development Inc.	2008 - 2013
5. Rainbow Vision of Santa Fe, LLC	2011 - 2013
6. Networx	2005 - 2006
7. Los Niño's Therapy Center	2000 - 2003
8. Jicarilla Station	2000 - 2002

Employment Benefit Plans (ERISA)

1. El Centro Family Health 401(k) audit	2016 - 2017
2. Hope Christian Schools 403(b) Plan	2015 - 2016
3. Downtown Enterprises, LLC 401(k) Profit Sharing Plan and Trust	2015 - 2016
4. Hidalgo Medical Services, Inc. 401(k) Profit Sharing Plan	2015 - 2015

Tribal Governments

1. Acoma-Canoncito-Laguna Hospital Board WIC Program	2008-2011 , 2014-2015

***All Audits with an asterisk, denote that a Uniform Guidance Single Audit was also conducted.**

KATELYN CONSTANTIN, MACCT
AUDIT MANAGER

Education

Masters of Accounting, University of New Mexico, Anderson School of Management, 2011

Bachelor of Business Administration - Accounting, University of New Mexico, May 2010
Graduated Cum Laude

Experience

7 years in public accounting

Career Experience

May 2011, to present, Hinkle + Landers, P.C.

Municipal and County Audits

1. McKinley County	*	2017 - 2017
2. Village of Corrales		2015 - 2016
3. City of Gallup	*	2016 - 2017
4. Sandoval County	*	2016 - 2017
5. City of Carlsbad	*	2016 - 2017
6. City of Carlsbad Lodger's Tax audit		2016 - 2016
7. Doña Ana County	*	2011 - 2015
8. Socorro County	*	2014 - 2015
9. City of Alamogordo	*	2011 - 2014
10. City of Alamogordo Lodger's Tax audit		2011 - 2014
11. City of Clovis	*	2011 - 2012

State Agency Audits

1. New Mexico Workers' Compensation Administration		2017 - 2017
2. 3rd Judicial District Court's Office		2015 - 2017
3. New Mexico Adult Parole Board		2016 - 2017
4. 12th Judicial District Attorney's Office	*	2012 - 2015
5. New Mexico Department of Homeland Security and Emergency Management	*	2013 - 2015
6. New Mexico Department of Military Affairs	*	2011 - 2014
7. New Mexico Judicial Standards Commission		2011 - 2014
8. South Central NM Council of Governments	*	2011 - 2014
9. Southwestern Area Workforce Development Board	*	2011 - 2014
10. New Mexico Board of Nursing		2011 - 2014
11. Eastern Plains Area Workforce Board	*	2011 - 2014
12. Northwest NM Council of Governments	*	2011 - 2013
13. Office of the State Engineer/Interstate Stream Commission	*	2011 - 2012
14. 13th Judicial District Court's Office		2011 - 2012
15. Eastern Plains Council of Governments	*	2011 - 2012

Local Governmental Special Districts

1. North Central Regional Transit District	*	2010 - 2016
2. Camino Real Regional Utility Authority		2012 - 2015

Housing Authorities

1. City of Raton Housing Authority	*	2017 - 2017
2. Gallup Housing Authority, A Component Unit of the City of Gallup	*	2016 - 2017
3. City of Alamogordo Housing Authority	*	2013 - 2014
4. County of Dona Ana Housing Authority	*	2011 - 2012

KATELYN CONSTANTIN, MACCT
AUDIT MANAGER

Non-Profit Healthcare Clinics

1. El Centro Family Health Center	*	2011 - 2016
2. First Nations Community Health Source	*	2011 2014
3. Mora Valley Community Health Services	*	2011 - 2012
4. Pecos Valley Medical Center	*	2011 - 2012
5. La Clinica de Familia	*	2011 - 2011

Not-For-Profit Organizations Audits

1. United Way of Santa Fe County, Inc.		2017 - 2017
2. Center of Southwest Culture		2017 - 2017
3. Youth Shelters and Family Services, Inc.	*	2017 - 2017
4. National Indian Youth Council, Inc.	*	2017 - 2017
5. American Civil Liberties Union of New Mexico and Foundation		2010 - 2017
6. The Life Link and Controlled Affiliates	*	2012 - 2017
7. New Mexico Wilderness Alliance		2015 - 2017
8. New Mexico Wildlife Federation		2015 - 2016
9. Great Southwest Council, Boy Scouts of America		2011 - 2017
10. Biomedical Research Institute of New Mexico	*	2016 - 2017
11. Good Shepherd Center, Inc.		2011 - 2017
12. Manuelito Navajo Children's Home		2014 - 2017
13. Realtors Association of New Mexico		2014 - 2017
14. NurseAdvice New Mexico		2010 - 2015
15. National Alliance on Mental Illness, New Mexico		2010 - 2014
16. Spanish Colonial Arts Society, Inc.		2012 - 2014
17. Joy Junction		2011 - 2014
18. First Unitarian Church of Albuquerque		2014 - 2014
19. WESST	*	2010 - 2013
20. Forest Guild	*	2011 - 2013
21. Meals on Wheels		2011 - 2013
22. National Hispanic Cultural Center Foundation		2013 - 2013
23. Association of Educators in Imaging and Radiologic Sciences, Inc.		2012 - 2012
24. Community Health Charities		2011 - 2011

Non-Profit Private Foundations

1. Con Alma Health Foundation		2011 - 2013

Schools, Local Governmental Higher Education and School Districts

1. Hope Christian Schools and Controlled Affiliate		2011 - 2014
2. Cobre Consolidated School District	*	2016 - 2017

Common Interest Realty Association Audits

1. Tanoan Community Homeowner's Association		2011 - 2014
2. Echo Ridge Cooperative		2010 - 2013
3. Hillcrest Park Condominium Homeowners' Association		2011 - 2013
4. Santa Barbara Homeowners Association		2012 - 2012

For Profit Businesses

1. The Downs at Albuquerque Racetrack and Casino		2010 - 2015
2. Southwest Child Care, Inc.		2013 - 2016

KATELYN CONSTANTIN, MACCT
AUDIT MANAGER

Employment Benefit Plans (ERISA)

1. El Centro Family Health Center 401(k) audit	2014 - 2016
2. Hidalgo Medical Services 401(k) audit	2013 - 2015
3. Hope Christian Schools 403(b) Plan	2010 - 2011

Limited Partnerships

1. La Luz Limited Partnership	2012 - 2017

***All Audits with an asterisk, denote that a Uniform Guidance Single Audit was also conducted.**