



**TOWN OF KIRTLAND**  
**Town Council Regular Meeting Agenda**  
**Council Chambers, 47 RD 6500 Kirtland, NM 87417**  
**May 9, 2023, at 4:30 pm**

- A. Call to Order
- B. Invocation
- C. Pledge of Allegiance
- D. Regular Meeting
- E. Approval of Agendas
  - 1. Approval of 05.09.23 agenda
  - 2. Approval of consent agenda to include:
    - a. Meeting Minutes from 04.11.2023
    - b. Financial reports from April 2023
- F. New Business
  - 1. Larry Lundberg- Investment Information for the Town of Kirtland
  - 2. Sewer Department Report-Dan Flack
  - 3. Future Projects-presentation by Dan Flack
  - 4. Street Name Update-Alex Uhl
  - 5. Red Apple Transit Agreement
  - 6. Beasley, Mitchell & Co-Audit Contract
- G. Reports from Elected Officials/Town Clerk
- H. Comments/Input from the public  
*(Limited to 3 minutes per person on subjects the Council has not previously discussed or taken formal action on. No formal action will be taken at the meeting.)*
- I. Tentative Closed Executive Session

**STATE LAW**

*An Executive Session may be called at any time during the meeting. Pursuant to New Mexico Open Meetings Act New Mexico State Statute: § 10-15-1(H)*

*Subsections;*

*(1) Meetings pertaining to issuance, suspension, renewal or revocation of a license, except that a hearing at which evidence is offered or rebutted shall be open. All final actions on the issuance, suspension, renewal or revocation of a license shall be taken at an open meeting;*

*(2) Limited personnel matters; provided that for purposes of the Open Meetings Act, "limited personnel matters" means the discussion of hiring, promotion, demotion, dismissal, assignment or resignation of or the investigation or consideration of complaints or charges against any individual public employee; provided further that this paragraph is not to be construed as to exempt final actions on*

Agenda posted by Lou Ann Davis, Kirtland Town Clerk on 05.04.2023

*personnel from being taken at open public meetings, nor does it preclude an aggrieved public employee from demanding a public hearing. Judicial candidates interviewed by any commission shall have the right to demand an open interview;*

*(3) Deliberations by a public body in connection with an administrative adjudicatory proceeding for purposes of this paragraph, "administrative adjudicatory proceeding" means a proceeding brought by or against a person before a public body in which individual legal rights, duties or privileges are required by law to be determined by the public body after an opportunity for a trial-type hearing. Except as otherwise provided in this section, the actual administrative adjudicatory proceeding at which evidence is offered or rebutted and any final action taken as a result of the proceeding shall occur in an open meeting;*

*(4) The discussion of personally identifiable information about any individual student, unless the student or the student's parent or guardian requests otherwise;*

*(5) Meetings for the discussion of bargaining strategy preliminary to collective bargaining negotiations between the policymaking body and a bargaining unit representing the employees of that policymaking body and collective bargaining sessions at which the policymaking body and the representatives of the collective bargaining unit are present;*

*(6) that portion of meetings at which a decision concerning purchases in an amount exceeding two thousand five hundred dollars (\$2,500) that can be made only from one source is discussed and that portion of meetings at which the contents of competitive sealed proposals solicited pursuant to the Procurement Code are discussed during the contract negotiation process.*

*(7) Meetings subject to the attorney-client privilege pertaining to threatened or pending litigation in which the public body is or may become participant;*

*(8) Meetings for the discussion of the purchase, acquisition or disposal of real property or water rights by the public body*

## **DISABILITY**

*The Governing Body may revise the order of the agenda items considered at this Open Meeting. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, please contact the Town Clerk at the Town Hall Building located at 47 RD 6500 Kirtland, New Mexico at least one (1) week prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats.*

### **Agenda Posted in (six) 6 Public Places in the Town of Kirtland**

1. Monsterslayer, 4187 HWY-64
2. Kirtland Post Office, 4211 HWY-64
3. Dairy Queen, 4216 HWY-64
4. Lower Valley Water Association, 4286 HWY-64
5. General Supply, 4345 HWY-64
6. Kirtland Town Hall, 47 RD 6500
7. Harper Valley Bulletin Board



**Town of Kirtland**  
**Regular Town Council Meeting Minutes**  
**47 RD 6500 Kirtland, NM 87417**  
**April 11, 2023 at 4:30 pm**

Mayor Pro-Tem, Larry Hathaway called the meeting to order at 4:30 pm in the Council Room at Town Hall, located at 47 RD 6500, Kirtland, New Mexico.

Councilor Tyron Austin gave the invocation and Councilor Alex Uhl lead the Pledge of Allegiance.

**Those present:**

Mayor Pro-Tem Larry Hathaway  
Councilor Tyrone Austin  
Councilor Jason Heslop  
Councilor Alex Uhl

Clerk, Lou Ann Davis  
Engineer, Dan Flack

**Those absent:**

Mayor Mark Duncan

**Visitors:**

7 persons

**Approval of Agenda:**

Councilor Jason Heslop made a motion to accept the 04.11.2023 agenda as it was presented to The Council. Councilor Tyron Austin seconded the motion. Upon voice vote, the motion passed unanimously.

**Consent Agenda:**

The Consent Agenda consisted of the monthly financials for March 2023 as well as the minutes for the March 14, 2023, Meeting. Councilor Jason Heslop made a motion to approve the Consent Agenda as it was presented. Councilor Tyron Austin seconded the motion. Upon voice vote, the motion passed.

**New Business:****1. Sewer Department Report-Dan Flack**

Dan Flack reported that there was one sewer break in March. This occurred across from the entrance to Harper Valley. He also noted that replacement and redesign of the sewer system really needs to be done to avoid these expensive breaks. Money needs to be found for this. Dan also informed the Council of an incident that occurred at Country Kitchen in Kirtland. They are NOT on the sewer system, but the state will not enforce the rule (that is currently on the books with The State) that they need to be on the sewer system, as they are a functioning businesses within a sewer district.

**2. Future Project Update-Dan Flack**

No vote was taken on the information that was shared in the packet. However, it was suggested that a letter be sent to those who live in the RD 6447 West Loop to see who is interested in being put on the sewer system. In the past, one year of interest free financing has been offered to those who join the sewer system to finance costs incurred to join. This would most likely be offered to these folks as well...however the council needs to know if the residents of that area are interested.

All of the information concerning future projects will be considered at a later date.

**3. San Juan County/Town of Kirtland MOU (Memorandum of Understanding) update-Undersheriff Tanner SJCSO**

Undersheriff Tanner came with information concerning an updated MOU (Memorandum of Understanding) between San Juan County and the Town of Kirtland. He informed the Council of information contained in the document, to include the fact that with the updated MOU, the county would register vehicles as well as insure them and upkeep them even though they had been purchased by LEPF funds acquired by the Town of Kirtland.

He also brought attention to the fact that the amount that the Town of Kirtland is reimbursing The County for personal such as 1 Deputy's Salary and 1 Record Technician's Salary needs/will be increased in the coming FY.

Deputy=\$102,210.95 per year



Record Technician=\$45,834.66 per year

Road Maintenance will be increased to up to \$12,000.00 per year based on time and materials. (Capital improvements shall be the Town's responsibility at the Town's expense.

Fire and Emergency services will be a flat rate of \$70,000.00 per year.

Councilman Jason Heslop made a motion to accept the MOU as explained by Undersheriff Tanner. Councilman Alex Uhl seconded the motion.

Upon voice vote, the motion passed unanimously.

**4. Street Name update-Councilor Alex Uhl**

Councilman Alex Uhl shared new street names with the Council and those in attendance at the meeting and proposed that Dan Flack share the new list of names with Nancy who works for San Juan County. All names need to be cleared as a non-duplicate street name within The County. He also suggested that once Nancy has approved the list, that the names will need to be published (much as a legal notice is) and that then a public hearing will need to be held.

Councilman Alex Uhl made a motion to accept the street names as outlined and to get approval on them. Councilman Tyron Austin seconded the motion. Upon voice vote, the motion passed unanimously.

**5. May 2023 Motorcycle Awareness Month Proclamation-to be read by Mayor Pro-Tem Larry Hathaway**

Mayor Pro-Tem Larry Hathaway read the entire proclamation. After it was read, Councilor Alex Uhl made a motion to Proclaim May 2023 as motorcycle awareness month in Kirtland, NM. Councilor Tyrone Austin seconded the motion. Upon voice vote, the motion passed unanimously. Clerk Lou Ann Davis will see that it is scanned and sent to Richard Sturgeon.

**6. Clerk Institute Attendance-approval to fund registration/hotel stay/mileage reimbursement-request by Clerk Lou Ann Davis**

Clerk Lou Ann Davis requested The Council to fund her attendance at the Spring meeting for Chief Financial Officers as well as Town Clerks that is being held in Albuquerque April 18-21. She requested to be reimbursed for registration for the conference as well as for her stay at the Embassy Suites and for the miles driven in her personal vehicle.

Councilman Tyron Austin made a motion to approve this request. Councilman Jason Heslop seconded the motion. Upon voice vote, the motion passed unanimously.

Lou Ann Davis will keep track of her receipts and turn them in for reimbursement.

**7. Artwork-to make decisions based on viewing of artwork prior to the beginning of the regular meeting.**

Mayor Pro-Tem Larry Hathaway reminded the Town Council that a \$10,000.00 budget had been proposed for the purchase of artwork to beautify the Town Hall. There was some discussion concerning this. Alex Uhl reminded his fellow councilmembers that ultimately infrastructure (such as sewer lines etc.) is the most important work that will be done with the Town's available funds. Mayor Pro-Tem Larry Hathaway responded that "The town can do both" and that beautification is important. Councilman Jason Heslop voiced that displaying local artwork helps the town to be inclusive and aids the artists that will be paid for their work. In the end it was unanimously decided to move forward with procuring artwork within the set forth budget of \$10,000.00.

Artwork was purchased from the following:

Ivan Lee \$1,200.00

David Collard \$500.00

Sherry Prince \$500.00

Leander Begay \$1,200.00

Sarah Stock \$150.00

Michael Billie \$1,000.00

This artwork totaled \$4,550.00 leaving \$5,450.00 in the approved budget.

It was unanimously decided that the remaining amount would be used for procuring an X-large, custom, commissioned painting from Doris Sherwood.

Councilor Jason Heslop motioned to purchase the artwork selected for the prices listed. Councilor Tyrone Austin seconded the motion. Upon a voice vote the motion passed unanimously.

**Reports from Elected Officials/Town Clerk**

Larry Hathaway-nothing to share

Jason Heslop-nothing to share

Alex Uhl-nothing additional to share

Tyrone Austin-nothing to share

Lou Ann Davis-updated the council with information concerning the goals of the Kirtland Chamber of Commerce and well as a break-down concerning the initial cost of putting up the American flags on 30 poles lining HWY-64.

**Comments/Input from the General Public:**

Linn Mach thanked the council for work done on the sewer. She also reinforced how important this service is to the Town of Kirtland.

It was also voiced by someone in attendance that the Veterans Memorial appears to be coming along nicely and that it is good to see improvements in the town.

**Adjourn:**

At approximately 5:58 pm Mayor Pro-Tem asked if there were any further questions or comments. There were none at that time and it was suggested that the meeting could be adjourned. Councilor Jason Heslop made a motion to adjourn the meeting. Councilor Tyrone Austin seconded the motion. The meeting was adjourned at 5:59 pm.

SEAL

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Mark Duncan, Mayor

**ATTEST:**

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Lou Ann Davis, Town Clerk

**The Town of Kirtland**  
**Account Reconciliation**  
**As of Apr 30, 2023**  
**11-0001-10101-0 - Unrestricted Cash -Operational**  
**Bank Statement Date: April 30, 2023**

Filter Criteria includes: Report is printed in Detail Format.

Beginning GL Balance			2,486,154.02
Add: Cash Receipts			104,255.32
Less: Cash Disbursements			(117,011.47)
Add (Less) Other			
Ending GL Balance			<u>2,473,397.87</u>
Ending Bank Balance			2,474,797.42
Add back deposits in transit			
Total deposits in transit			
(Less) outstanding checks			
	Dec 5, 2022	2700	(37.89)
	Apr 12, 2023	2798	(500.00)
	Apr 24, 2023	2804	(487.64)
	Apr 24, 2023	2805	(64.02)
	Apr 24, 2023	2806	(60.00)
	Apr 27, 2023	2807	(250.00)
Total outstanding checks			(1,399.55)
Add (Less) Other			
Total other			
Unreconciled difference			<u>0.00</u>
Ending GL Balance			<u><u>2,473,397.87</u></u>

The Town of Kirtland  
Balance Sheet  
April 30, 2023

ASSETS

Current Assets		
Unrestricted Cash -Operational	\$	2,473,397.87
Cash in Bank - LEPA		45,000.00
Cash in Bank - Municipal Stree		55,266.20
Cash in Bank - American Rescue		151,307.00
		<hr/>
Total Current Assets		2,724,971.07
Property and Equipment		<hr/>
Total Property and Equipment		0.00
Other Assets		<hr/>
Total Other Assets		<hr/> 0.00
Total Assets	\$	<hr/> <hr/> 2,724,971.07

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$	105,865.94
Federal Withholding Payable		2,091.91
FICA Payable		(2,758.54)
Medicare Payable		674.56
SUI Payable		25.73
State Withholding Payable		1,691.19
PERA Payable		333.47
Insurance Payable		(7,589.51)
LEPA Accounts Payable		(8,879.48)
		<hr/>
Total Current Liabilities		91,455.27
Long-Term Liabilities		<hr/>
Total Long-Term Liabilities		<hr/> 0.00
Total Liabilities		91,455.27
Capital		
Retained Earning - GF		1,986,088.41
Fund Balance		401,495.96
Net Income		245,931.43
		<hr/>
Total Capital		<hr/> 2,633,515.80
Total Liabilities & Capital	\$	<hr/> <hr/> 2,724,971.07

The Town of Kirtland  
Income Statement  
For the Ten Months Ending April 30, 2023

	Current Month		Year to Date	
<b>Revenues</b>				
Fee Revenue - GF	\$ 0.00	0.00	\$ 0.00	0.00
Business License Revenue - GF	4,316.25	4.09	3,326,941.25	68.18
Gross Receipts Tax - GF	0.00	0.00	0.00	0.00
Fuel Tax - GF	0.00	0.00	0.00	0.00
Small Cities Assistance - GF	0.00	0.00	0.00	0.00
Municipal Enironment GRT	0.00	0.00	423.44	0.01
Municipal Inrastructure GRT	0.00	0.00	0.00	0.00
Donated Property - GF	0.00	0.00	0.00	0.00
Franchise Tax	0.00	0.00	90,573.29	1.86
GRT - Municipal Local Option G	101,149.37	95.87	1,304,638.37	26.74
GRT - Municipal Infrastructure	0.00	0.00	0.00	0.00
GRT - Municipal Environmental	0.00	0.00	0.00	0.00
Gas Tax for General Purposes	0.00	0.00	27,868.44	0.57
GRT - Shared Municipal Eq Dist	0.00	0.00	0.00	0.00
Other Shared State Taxes	0.00	0.00	2,060.76	0.04
Business Licenses/Registration	45.00	0.04	4,920.00	0.10
Administrative Fees	0.00	0.00	1,779.59	0.04
Small Cities Assistance (TRD)	0.00	0.00	8.04	0.00
Law Enforcement Protec (LEPA)	0.00	0.00	45,000.00	0.92
Law Enforcement Protect - LEPA	0.00	0.00	0.00	0.00
Other State Grant	0.00	0.00	0.00	0.00
Federal - Other Revenue	0.00	0.00	0.00	0.00
Federal - American Rescue Plan	0.00	0.00	75,653.50	1.55
Federal - Other Revenue	0.00	0.00	0.00	0.00
Capital Grant Revenue	0.00	0.00	0.00	0.00
<b>Total Revenues</b>	<b>105,510.62</b>	<b>100.00</b>	<b>4,879,866.68</b>	<b>100.00</b>
<b>Cost of Sales</b>				
<b>Total Cost of Sales</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Gross Profit</b>	<b>105,510.62</b>	<b>100.00</b>	<b>4,879,866.68</b>	<b>100.00</b>
<b>Expenses</b>				
Entertainment & Meals - GF	0.00	0.00	0.00	0.00
Travel - GF	0.00	0.00	0.00	0.00
Election Costs - GF	0.00	0.00	0.00	0.00
Accounting - GF	0.00	0.00	0.00	0.00
Audit - GF	0.00	0.00	0.00	0.00
Building Rent - GF	0.00	0.00	0.00	0.00
GRT Administrative Fee - GF	0.00	0.00	0.00	0.00
Internet - GF	0.00	0.00	0.00	0.00
Legal & Professional - GF	0.00	0.00	0.00	0.00
Mileage Expense - GF	0.00	0.00	0.00	0.00
Office Supplies - GF	0.00	0.00	0.00	0.00
Operating Supplies - GF	0.00	0.00	0.00	0.00
Payroll Taxes - GF	0.00	0.00	0.00	0.00
Telephone and Internet - GF	0.00	0.00	0.00	0.00
Travel - GF	0.00	0.00	0.00	0.00
Utilities - GF	0.00	0.00	0.00	0.00
Wages - GF	0.00	0.00	0.00	0.00
PERA - GF	0.00	0.00	0.00	0.00
Workers Comp - GF	413.04	0.39	1,559.95	0.03
SJC-Records Technician - GF	0.00	0.00	0.00	0.00
Fire Protection - SJC - GF	0.00	0.00	0.00	0.00
One Call - GF	0.00	0.00	0.00	0.00

For Management Purposes Only

The Town of Kirtland  
Income Statement  
For the Ten Months Ending April 30, 2023

	Current Month		Year to Date	
Police Protection - SJC - GF	0.00	0.00	0.00	0.00
Road Maintenance - SJC - GF	0.00	0.00	0.00	0.00
Street Lights - GF	0.00	0.00	0.00	0.00
Advertising - GF	0.00	0.00	0.00	0.00
Bank Charge - GF	0.00	0.00	0.00	0.00
Building Repairs - GF	0.00	0.00	0.00	0.00
Contributions - GF	0.00	0.00	724.00	0.01
Dues & Subscriptions - GF	0.00	0.00	0.00	0.00
Equipment Rent - GF	0.00	0.00	0.00	0.00
Equipment Repair - GF	0.00	0.00	0.00	0.00
Fuel - GF	0.00	0.00	(596.83)	(0.01)
Insurance - GF	0.00	0.00	0.00	0.00
Penalties and Interest - GF	0.00	0.00	0.00	0.00
Postage - GF	0.00	0.00	0.00	0.00
Vehicle Expense - GF	0.00	0.00	0.00	0.00
Red Apple Transit - GF	0.00	0.00	0.00	0.00
Travel - Council	0.00	0.00	0.00	0.00
Other Travel - Mileage	0.00	0.00	0.00	0.00
Employee Training - Council	0.00	0.00	0.00	0.00
Travel - Mayor	0.00	0.00	0.00	0.00
Other Travel - Mileage	0.00	0.00	0.00	0.00
Employee Training - Mayor	0.00	0.00	0.00	0.00
Trans. Costs - Red Apple Trans	5,997.00	5.68	11,994.00	0.25
Contract - Attny Fees - Copple	0.00	0.00	0.00	0.00
Contract - Attny Fees - Beckst	0.00	0.00	0.00	0.00
Contract - Attny Fees - NM Loc	0.00	0.00	3,173.68	0.07
Contract - Prof Ser - Engineer	12,367.76	11.72	47,294.93	0.97
Contract - Other - Pictometry	0.00	0.00	0.00	0.00
Contract - Other - Tech Suppor	0.00	0.00	31.16	0.00
Software	0.00	0.00	2,211.65	0.05
Supplies - General Office	0.00	0.00	2,929.57	0.06
Supplies - FF&E (Non-Capital)	0.00	0.00	0.00	0.00
Postage	0.00	0.00	392.00	0.01
Subscriptions & Dues	160.00	0.15	8,631.17	0.18
Other Costs - Bank Charges	934.09	0.89	10,397.02	0.21
Commit & Other Fees - GRT	1,255.30	1.19	8,142.82	0.17
Other Travel	0.00	0.00	0.00	0.00
Contract - Audit	0.00	0.00	16,029.06	0.33
Prof. Services - Accounting	487.41	0.46	7,679.74	0.16
Maint & Repairs - Building	0.00	0.00	5,013.36	0.10
Contract Services - One Call	60.00	0.06	382.00	0.01
Contract Services - Janitorial	1,098.78	1.04	5,144.89	0.11
Contract Services - Waste Mgt	146.01	0.14	1,249.90	0.03
Communication Costs	0.00	0.00	0.00	0.00
Insurance - General Liab/Prop	0.00	0.00	0.00	0.00
Rent of Equip/Machinery	0.00	0.00	0.00	0.00
Telecommunications	403.12	0.38	4,055.36	0.08
Utilities - Electricity	487.64	0.46	3,308.87	0.07
Utilities - Natural Gas	41.40	0.04	634.04	0.01
Utilities - Water	28.68	0.03	499.48	0.01
O & M - Buildings & Structures	0.00	0.00	879.67	0.02
Equipment & Machinery	0.00	0.00	0.00	0.00
Roadways/Bridges	0.00	0.00	115,304.58	2.36
St. Lighting/Traffic Sig/Signs	0.00	0.00	0.00	0.00
Election Costs	0.00	0.00	0.00	0.00
Salaries - Full-Time Positions	3,120.00	2.96	33,156.96	0.68
FICA - Regular	193.44	0.18	2,055.74	0.04
FICA - Medicare	45.24	0.04	480.78	0.01
Retirement - PERA	321.36	0.30	3,165.70	0.06

For Management Purposes Only



The Town of Kirtland  
Income Statement  
For the Ten Months Ending April 30, 2023

	Current Month		Year to Date	
Retiree Health Care	0.00	0.00	0.00	0.00
Health Insurance	0.00	0.00	500.98	0.01
Life Insurance	0.00	0.00	4.42	0.00
Dental Insurance	0.00	0.00	25.86	0.00
Vision Insurance	0.00	0.00	4.80	0.00
Disability Insurance	0.00	0.00	0.00	0.00
Unemployment Compensation	10.30	0.01	214.84	0.00
Worker's Comp Premium	0.00	0.00	0.00	0.00
Worker's Comp Employer's Fee	0.00	0.00	9.31	0.00
Travel - Clerk	767.03	0.73	3,077.59	0.06
Other Travel - Mileage	178.60	0.17	1,344.91	0.03
Contract Services - Police	0.00	0.00	19,509.38	0.40
Cont Serv - SJC Records Tech	0.00	0.00	56,299.38	1.15
Contract Services - Fire Prote	0.00	0.00	15,000.00	0.31
Cont Ser - Animal Pound Fees	0.00	0.00	0.00	0.00
Maint & Repairs - Grounds/Road	5,527.13	5.24	45,517.60	0.93
Contracts Services - Toilets	0.00	0.00	0.00	0.00
Buildings & Structures	0.00	0.00	0.00	0.00
Equipment & Machinery	0.00	0.00	0.00	0.00
Infrastructure	19,264.36	18.26	742,297.12	15.21
Other Operating Costs - VWSD	0.00	0.00	13,203.81	0.27
Other Operating Costs - VWSD	0.00	0.00	0.00	0.00
Other Operating Costs - FMDC	0.00	0.00	3,321,000.00	68.06
Maint- Repair-Ground-Cemetery	120,000.00	113.73	120,000.00	2.46
Supplies - Other	0.00	0.00	0.00	0.00
Equipment and Machinery	0.00	0.00	0.00	0.00
Operating Supplies-LEPA	0.00	0.00	0.00	0.00
Equipment >\$5,000 - LEPA	0.00	0.00	0.00	0.00
Maint & Rep - Grounds/Roadways	0.00	0.00	0.00	0.00
Grants to Subrecipients	0.00	0.00	0.00	0.00
Infrastructure	0.00	0.00	0.00	0.00
Supplies - Safety	0.00	0.00	0.00	0.00
Contract Services	0.00	0.00	0.00	0.00
<b>Total Expenses</b>	<b>173,307.69</b>	<b>164.26</b>	<b>4,633,935.25</b>	<b>94.96</b>
<b>Net Income</b>	<b>\$ (67,797.07)</b>	<b>(64.26)</b>	<b>\$ 245,931.43</b>	<b>5.04</b>

**Valley Water and Sanitation District**  
**Account Reconciliation**  
**As of Apr 30, 2023**  
**1020 - Checking Account**  
**Bank Statement Date: April 30, 2023**

Filter Criteria includes: Report is printed in Detail Format.

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Beginning GL Balance				113,396.16
Add: Cash Receipts				127.03
Less: Cash Disbursements				(41,464.41)
Add (Less) Other				
Ending GL Balance				<u>72,058.78</u>
Ending Bank Balance				<u>72,345.19</u>
Add back deposits in transit				
Total deposits in transit				
(Less) outstanding checks				
	Apr 24, 2023	2660		<u>(286.41)</u>
Total outstanding checks				(286.41)
Add (Less) Other				
Total other				
Unreconciled difference				<u>0.00</u>
Ending GL Balance				<u><u>72,058.78</u></u>

April 1, 2023  
Income Statement  
For the Ten Months Ending April 30, 2023

	4th Quarter 2020		Year to Date	
<b>Revenues</b>				
Construction/Engineering Sales	\$ 127.03	100.00	\$ 331,282.08	74.76
Connection/Tap Fee Sales	0.00	0.00	3,911.25	0.88
Monthly Service Sales	0.00	0.00	81,777.83	18.46
Maintenance Income	0.00	0.00	26,143.65	5.90
<b>Total Revenues</b>	<u>127.03</u>	<u>100.00</u>	<u>443,114.81</u>	<u>100.00</u>
<b>Cost of Sales</b>				
Engineering Costs	17,514.57	13,787.74	206,952.07	46.70
Service Line Construction Cost	0.00	0.00	2,134.34	0.48
Operations Maintenance Costs	0.00	0.00	29,857.30	6.74
Admission Court/Clerk Fees	0.00	0.00	6,603.40	1.49
Pre-Treatment (Chemicals)	0.00	0.00	107,486.36	24.26
City of Farmington Collection	7,858.36	6,186.22	77,313.02	17.45
<b>Total Cost of Sales</b>	<u>25,372.93</u>	<u>19,973.97</u>	<u>430,346.49</u>	<u>97.12</u>
<b>Gross Profit</b>	<u>(25,245.90)</u>	<u>(19,873.9)</u>	<u>12,768.32</u>	<u>2.88</u>
<b>Expenses</b>				
Billing Services	0.00	0.00	418.00	0.09
Rent or Lease Expense	0.00	0.00	9,583.00	2.16
Penalties/Interest Charged	0.00	0.00	1,197.38	0.27
System Maintenance & Repairs	4,729.85	3,723.41	26,126.20	5.90
Utilities Expense	2,969.26	2,337.45	24,319.75	5.49
Office Expense	0.00	0.00	68.00	0.02
One-Call Locate	0.00	0.00	2,066.00	0.47
Insurance Expense	1,015.00	799.02	6,658.00	1.50
Depreciation Expense	9,976.83	7,853.92	99,768.30	22.52
<b>Total Expenses</b>	<u>18,690.94</u>	<u>14,713.80</u>	<u>170,204.63</u>	<u>38.41</u>
<b>Net Income</b>	<u>\$ (43,936.84)</u>	<u>(34,587.7)</u>	<u>\$ (157,436.31)</u>	<u>(35.53)</u>

Valley Water and Sanitation District  
Income Statement  
For the Ten Months Ending April 30, 2023

	Current Month		Year to Date	
<b>Revenues</b>				
Construction/Engineering Sales	\$ 127.03	100.00	\$ 331,282.08	74.76
Application Fee Sales	0.00	0.00	0.00	0.00
Connection/Tap Fee Sales	0.00	0.00	3,911.25	0.88
Monthly Service Sales	0.00	0.00	81,777.83	18.46
Standby Charge	0.00	0.00	0.00	0.00
Admission Fee Sales	0.00	0.00	0.00	0.00
Maintenance Income	0.00	0.00	26,143.65	5.90
Lagoon's Loan Repayment	0.00	0.00	0.00	0.00
Interest Income	0.00	0.00	0.00	0.00
San Juan County GRT	0.00	0.00	0.00	0.00
San Juan County GRT Unishare	0.00	0.00	0.00	0.00
Disconnect/Reconnect Fee	0.00	0.00	0.00	0.00
Other Income	0.00	0.00	0.00	0.00
Late Fee	0.00	0.00	0.00	0.00
Grant Income	0.00	0.00	0.00	0.00
Sales/Fees Discounts	0.00	0.00	0.00	0.00
Lagoon Loan Repayment	0.00	0.00	0.00	0.00
<b>Total Revenues</b>	<b>127.03</b>	<b>100.00</b>	<b>443,114.81</b>	<b>100.00</b>
<b>Cost of Sales</b>				
Engineering Costs	17,514.57	13,787.74	206,952.07	46.70
Construction Inspection Costs	0.00	0.00	0.00	0.00
Service Line Construction Cost	0.00	0.00	2,134.34	0.48
Operations Maintenance Costs	0.00	0.00	29,857.30	6.74
Cleanin/Inspections Services	0.00	0.00	0.00	0.00
Admission Court/Clerk Fees	0.00	0.00	6,603.40	1.49
Pre-Treatment (Chemicals)	0.00	0.00	107,486.36	24.26
Meter Reads	0.00	0.00	0.00	0.00
City of Farmington Collection	7,858.36	6,186.22	77,313.02	17.45
Cost of Sales	0.00	0.00	0.00	0.00
Inventory Adjustments	0.00	0.00	0.00	0.00
<b>Total Cost of Sales</b>	<b>25,372.93</b>	<b>19,973.97</b>	<b>430,346.49</b>	<b>97.12</b>
<b>Gross Profit</b>	<b>(25,245.90)</b>	<b>(19,873.9)</b>	<b>12,768.32</b>	<b>2.88</b>
<b>Expenses</b>				
Advertising	0.00	0.00	0.00	0.00
Billing Services	0.00	0.00	418.00	0.09
Payroll Tax Expense	0.00	0.00	0.00	0.00
Bad Debt Expense	0.00	0.00	0.00	0.00
Harper Valley HOA Fees	0.00	0.00	0.00	0.00
Income Tax Expense	0.00	0.00	0.00	0.00
Legal Services	0.00	0.00	0.00	0.00
Other Taxes Expense	0.00	0.00	0.00	0.00
Professional/Accountant	0.00	0.00	0.00	0.00
Rent or Lease Expense	0.00	0.00	9,583.00	2.16
Penalties/Interest Charged	0.00	0.00	1,197.38	0.27
Fuel/Oil	0.00	0.00	0.00	0.00
System Maintenance & Repairs	4,729.85	3,723.41	26,126.20	5.90
Supplies Expense	0.00	0.00	0.00	0.00
Small Tools Expense	0.00	0.00	0.00	0.00
Town of Kirtland	0.00	0.00	0.00	0.00
Utilities Expense	2,969.26	2,337.45	24,319.75	5.49
Office Expense	0.00	0.00	68.00	0.02
Telephone Expense	0.00	0.00	0.00	0.00

For Management Purposes Only

Valley Water and Sanitation District  
Income Statement  
For the Ten Months Ending April 30, 2023

	Current Month		Year to Date	
Secretarial Expense	0.00	0.00	0.00	0.00
Interest Expense - N/P Whipple	0.00	0.00	0.00	0.00
Training Expense	0.00	0.00	0.00	0.00
Misc. Expenses	0.00	0.00	0.00	0.00
One-Call Locate	0.00	0.00	2,066.00	0.47
Permit/Application Fees	0.00	0.00	0.00	0.00
Service Charge Expense	0.00	0.00	0.00	0.00
Purchase Disc-Expense Items	0.00	0.00	0.00	0.00
Insurance Expense	1,015.00	799.02	6,658.00	1.50
Depreciation Expense	9,976.83	7,853.92	99,768.30	22.52
Gain/Loss - Sale of Assets Exp	0.00	0.00	0.00	0.00
	<hr/>		<hr/>	
Total Expenses	18,690.94	14,713.80	170,204.63	38.41
	<hr/>		<hr/>	
Net Income	\$ (43,936.84)	(34,587.7	\$ (157,436.31)	(35.53)
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**MORETON**  
CAPITAL MARKETS, LLC  
MEMBER FINRA & SIPC

Town of Kirtland and Moreton Capital Markets

# About MCM

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Moreton Capital Markets, LLC, (MCM) is a registered broker-dealer with an experienced team of investment professionals serving institutional investors from various central and western U.S. locations.



We specialize in working with clients like you: public entities, mid-market corporations, community banks, credit unions, and independent advisors. Our representatives average about 20 years industry experience!



Our firm has a contractual agreement with RBC Correspondent Services® to serve as our clearing and custody firm. Client assets are held by RBC Capital Markets, LLC.®



No Contracts or annual fee's to work with us. Start and stop investing as you wish. Your investment account is a self-directed account. We are transaction based, paid through either a selling concession or a mark up/ mark down, depending on the investment vehicle.



Tailored Investment Solutions • Long Term Relationships



# Your Investment Team

Larry Lundberg,  
Vice President



Mr. Lundberg is responsible for client relationships as a registered representative with Moreton Capital Markets. Larry has specialized in working with public entities and corporations in New Mexico, Utah, and Idaho. Larry's prior experience includes 14 years with Wells Fargo Securities as a Vice President. Larry earned a bachelor's degree in accounting from the University of Phoenix. He has more than 20 years of capital markets experience, and he maintains Series 7, 63, and 9/10 licenses with FINRA.

Ryan Stoker,  
Vice President



Mr. Stoker oversees business development and operates as a registered representative of Moreton Capital Markets. Ryan has over 20 years of experience in the fixed income industry. Prior experience includes Wells Fargo Securities as vice president and Fidelity as a registered representative. Ryan received an Associates' degree from Dixie College and a bachelor's degree in accounting from the University of Utah. He holds Series 7, 63, and 24 licenses with FINRA.

Cory McKendrick,  
Sales Associate



Mr. McKendrick is responsible for maintaining and developing client relationships at Moreton Capital Markets. He is a registered representative of the firm. Cory works with public entities, corporations and other institutions needing fixed income expertise. Cory earned a bachelor's degree in Business Administration / Sports Management from the University of Antelope Valley and an MBA from Utah State University. He currently holds the Series 7 and 66 licenses with FINRA.

# New Mexico State Statutes For Investments



## U.S. Treasuries

Treasury Bills & Notes



## U.S. Government Agencies

Fannie Mae, Freddie Mac, Federal Home Loan, Federal Farm Credit, etc.



## Brokered CD's



## Government and Treasury Money Market Funds



## New Mexico Municipal Bonds

# Investment Strategy



What is the purpose of this cash?  
What is the Time Horizon?



Term Investments

Ladder (CD/Treasury/Agency)



Liquid Investments

Money Market

# Investment Option

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## Term Investments

<u>Amount</u>	<u>Issuer</u>	<u>Term</u>	<u>Rate</u>	<u>Annual Interest Income</u>
\$250,000	Bank A	3 month	4.90%	\$12,250.00
\$250,000	Bank B	6 month	4.95%	\$12,375.00
\$250,000	Bank C	9 month	5.00%	\$12,500.00
\$250,000	Bank D	1 year	5.00%	\$12,500.00
				\$49,625.00

## Liquid Investments

<u>Amount</u>	<u>Issuer</u>	<u>Term</u>	<u>Rate</u>	<u>Annual Interest Income</u>
\$1,000,000	U.S. Government MMKT	Liquid	4.60%	\$46,000.00

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## Why use Moreton?

- We've been helping public entities specifically in the 4 corners area for over 20 years with their investment needs.
  - San Juan County, City of Farmington, Central Schools, Aztec Schools, Bloomfield Schools,
- We specialize in public entity investments (Institutional Fixed Income).
- We work for you in a consultative approach, and we are available for communication according to your needs.
- We can provide analytic reports that are great for presentations to investment committee's, Board of Directors, County Commissioners, City Councils, etc. We can provide these whenever you need the information.



# Important Disclosures

**Accuracy of Information:** This report was prepared by Moreton Capital Markets and/or its designated vendor(s), and it is not a substitute for your monthly statement or trade confirmation. Prices and yields are representative values available at the time the report was created, and subject to change and availability. Ratings may represent an aggregate value from various sources and may not constitute a rating of the investment itself. Cost and acquisition data is generally not verified. Past performance is no guarantee of future results.

The indicative valuations in this report are for informational purposes only and are intended for use by the addressee only. The information is derived from sources believed to be reliable, but Moreton Capital Markets does not guarantee accuracy or completeness, and makes no warranty, express or implied.

The information in this report does not represent advice and does not represent an offer to purchase or sell.

Moreton Capital Markets is not responsible for any loss or damage arising out of any person's use of or reliance upon the information contained herein, including but not limited to, errors, inaccuracies, omissions, changes in market factors or other conditions or circumstances whether or not such errors are within Moreton Capital Markets' control. Under no circumstances shall Moreton Capital Markets be liable for damages that arise from reliance upon information contained herein.

**Potential conflicts of interest:** Moreton Capital Markets, LLC may buy or sell the subject securities from/to its customers on a riskless principal or principal basis. The compensation for the representative(s) providing this report may be influenced by Moreton Capital Markets LLC performance and profitability.

**Moreton Capital Markets, LLC is a broker-dealer registered with the SEC and a member of FINRA and SIPC. MCM privacy policy and business continuity plan can be found on our website [www.moretoncm.com](http://www.moretoncm.com). Moreton Capital Markets is a separate entity from Moreton & Company.**

## PROJECTS SUMMARY

2 Basketball Half Courts	\$	166,455
Pickleball Court	\$	225,862
Road 6405 Sewer Line Extension	\$	41,384
Road 6447 West Loop Sewer	\$	63,304
(Cost Per Lot)	\$	12,660
Town Hall Crack Seal/Seal Coat	\$	12,388
KYA - 57,782 sf		
Asphalt Repairs for large cracks	\$	73,407
Crack Seal/Seal Coat	\$	34,553
Striping	\$	4,474
Subtotal	\$	112,434
Cost Per SF	\$	1.95



Cost Estimate for two basketball half courts					
Bid Item	Item Description	Qty.	Unit	Unit Price	Amount
1	General Conditions	1	LS	\$ 10,000.00	\$ 10,000.00
2	Demo	1	LS	\$ 5,000.00	\$ 5,000.00
3	Grading/Excavation	181	CY	\$ 150.00	\$ 27,150.00
4	Irrigation modification	1	LS	\$ 2,500.00	\$ 2,500.00
5	Surveying and staking	1	LS	\$ 2,500.00	\$ 2,500.00
6	Basketball court concrete paving	3,900	SF	\$ 12.00	\$ 46,800.00
7	4" concrete sidewalk	1,000	SF	\$ 9.00	\$ 9,000.00
8	Striping	1	LS	\$ 1,500.00	\$ 1,500.00
9	Basketball Goals	2	EA	\$ 3,500.00	\$ 7,000.00
10	Site Furnishings	1	LS	\$ 5,000.00	\$ 5,000.00
11	Design Allowance	1	LS	\$ 15,000.00	\$ 15,000.00
Subtotal of Bid Items No. 1 through 10					\$ 131,450.00
Sub-Total Base Bid plus Allowance					\$ 131,450.00
Contingency 20%					\$ 26,290.00
New Mexico Gross Receipts Tax (NMGR) at 6.63%*					\$ 8,715.14
Total of Bid Items No. 1 through 7 Plus Contingency and NMGR					\$ 166,455.14

Cost Estimate for a Single Pickleball Court					
Bid Item	Item Description	Qty.	Unit	Unit Price	Amount
1	General Conditions	1	LS	\$ 10,000.00	\$ 10,000.00
2	Demo	1	LS	\$ 5,000.00	\$ 5,000.00
3	Grading/Excavation	260	CY	\$ 150.00	\$ 39,000.00
4	Irrigation modification	1	LS	\$ 2,500.00	\$ 2,500.00
5	Surveying and staking.	1	LS	\$ 2,500.00	\$ 2,500.00
6	Construct post-tension athletic court paving including surfacing and pickleball nets and posts, complete in place.	2,240	SF	\$ 20.00	\$ 44,800.00
7	4" concrete sidewalk	1,000	SF	\$ 9.00	\$ 9,000.00
8	Furnish and install 8' height chainlink fence	70	LF	\$ 100.00	\$ 7,000.00
9	Furnish and install wind screen on 8' height chainlink fence	40	LF	\$ 15.00	\$ 600.00
10	Furnish and install 6' height chainlink fence	130	LF	\$ 80.00	\$ 10,400.00
11	Furnish and install 8' height by 4' width chainlink fence gate	2	EA	\$ 500.00	\$ 1,000.00
12	Furnish and install 10' x 6' shade structure	1	EA	\$ 20,000.00	\$ 20,000.00
13	Site Furnishings	1	LS	\$ 5,000.00	\$ 5,000.00
14	Design Allowance	1	LS	\$ 20,000.00	\$ 20,000.00
Subtotal of Bid Items No. 1 through 14					\$ 176,800.00
Sub-Total Base Bid plus Allowance					\$ 176,800.00
Contingency 20%					\$ 35,360.00
New Mexico Gross Receipts Tax (NMGR) at 7.75%*					\$ 13,702.00
Total of Bid Items No. 1 through 7 Plus Contingency and NMGR					\$ 225,862.00

## ROAD 6405

## LINE EXTENSION

## US 64 TO TOWN BOUNDARY

Item	Description	Unit	QTY	UP	Total
1	Mob/Demob	EA	1	\$ 2,500.00	\$ 2,500.00
2	8" SDR 35 Sewer in Place	LF	320	\$ 110.00	\$ 35,200.00
3	Connect to Existing Manhole	EA	1	\$ 1,000.00	\$ 1,000.00
	Subtotal				\$ 38,700.00
	NMGRT (6.9375%)				\$ 2,684.81
	<b>Total Cost</b>				<b>\$ 41,384.81</b>

COUNTY ROAD 6447

WEST LOOP

SEWER SERVICE PROJECT

Item	Description	Unit	QTY	UP	Total
1	Mob/Demob	EA	1	\$ 2,500.00	\$ 2,500.00
2	8" SDR 35 Sewer in Place	LF	400	\$ 60.00	\$ 24,000.00
3	Connect to Existing Manhole	EA	1	\$ 1,000.00	\$ 1,000.00
4	4' Diam. Manhole	EA	1	\$ 4,000.00	\$ 4,000.00
5	4" Service Line	LF	125	\$ 25.00	\$ 3,125.00
6	Replace Base Course 6" thick	Tons	142	\$ 55.00	\$ 7,822.22
7	Traffic Control	Day	4	\$ 500.00	\$ 2,000.00
8	Testing				\$ 1,000.00
9	Engineering/Inspection				\$ 5,000.00
10	Connection Fee				\$ 8,750.00
	Subtotal				\$ 59,197.22
	NMGRT (6.9375%)				\$ 4,106.81
	<b>Total Cost</b>				<b>\$ 63,304.03</b>

**5 LOTS**

**\$ 12,660.81**



5204 2<sup>ND</sup> STREET NW, ALBUQUERQUE, NM 87107  
 PHONE: 505.998.6629 | WWW.SUNLANDASPHALT.COM

<b>To:</b>	Town Of Kirtland	<b>Contact:</b>	Dan Flack
<b>Address:</b>	47 Road 6500 Kirkland, NM 87417	<b>Phone:</b>	(505) 330-6535
<b>Project Name:</b>	Town Of Kirtland - Summer 2023 Asphalt Maintenance - 3-21-23	<b>Fax:</b>	
<b>Project Location:</b>	47 Road 6500, Kirtland, NM	<b>Bid Number:</b>	NM007887
		<b>Bid Date:</b>	4/3/2023

Item Description	Total Price
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#### 1 - 47 Road 6500

##### (Hot) Rubberized Crack Seal / Apply PMM Sealer

\$9,999.750

- Provide Traffic Control And Barricades During Our Scope Of Work.
- Power Clean With High Volume Air As Needed And Seal All Cracks 1/4 Inch And Larger With Crafco Polyflex III Crack Sealant Up To 60 Lbs. (Alligatored Areas Not Included.) Additional Pounds Placed Above This Quantity Will Require Additional Charges.
- Power Sweep/clean Asphalt Surface.
- Furnish And Apply Two (2) Coats Of PMM Sealer By Spray-Spray Application On Approximately 8,703 Square Feet. (Adhesion Or Bonding Of Seal Coat Materials Is Not Warranted In Areas Exposed To Automotive Fluids And/or Other Spills.)
- This Proposal Is Based On Performing The Work In 1 Section Over 1 Continuous Working Day.

##### Pavement Markings W/ ReflectORIZED Glass Beads

\$1,585.440

- Restripe 17 Parking Stalls Lot To Existing Pattern Using ReflectORIZED White/Yellow Latex Traffic Paint.
- Layout And Paint 2 ADA Handicap Stall(S) Using ReflectORIZED White And Blue Latex Traffic Paint.
- Paint Approx. 120 Linear Feet Of 4 Inch Striping Using ReflectORIZED Blue Latex Traffic Paint.
- ***All Pavement Striping To Be Applied With One (1) Coat Of Paint.***

**Subtotal for above 1 - 47 Road 6500 Items: \$11,585.190**

**Kirtland, NM 6.9375%: \$803.720**

**Total Price for above 1 - 47 Road 6500 Items: \$12,388.910**

#### 2 - 39 Road 6500

##### Remove And Replace Asphalt Repairs

\$73,407.870

- Provide Traffic Control And Barricades During Our Scope Of Work.
- Make Necessary Sawcuts.
- Remove And Stockpile 35 Parking Blocks.
- Remove Approx. 4,590 Square Feet Of Failed Asphalt To A Depth Of Up To 3 Inches. Compact Existing Base And Pave With Up To 3 Inches Of SP-IV Asphaltic Surface Course.
- This Proposal Is Based On Performing The Work In 4 Sections Over 8 Continuous Working Days.

##### (Hot) Rubberized Crack Seal / Apply MasterSeal Sealer

\$34,553.640

- Provide Traffic Control And Barricades During Our Scope Of Work.
- Power Clean With High Volume Air As Needed And Seal All Cracks 1/4 Inch And Larger With Crafco Polyflex III Crack Sealant Up To 5,900 Lbs. (Alligatored Areas Not Included.) Additional Pounds Placed Above This Quantity Will Require Additional Charges.
- Power Sweep/clean Asphalt Surface.
- Furnish And Apply Two (2) Coats Of PMM Sealer By Spray-Spray Application On Approximately 57,782 Square Feet. (Adhesion Or Bonding Of Seal Coat Materials Is Not Warranted In Areas Exposed To Automotive Fluids And/or Other Spills.)
- This Proposal Is Based On Performing The Work In 2 Sections Over 4 Continuous Working Days.

Item Description ~	Total Price
<b><u>Pavement Markings W/ Reflectorized Glass Beads</u></b>	<b>\$4,474.570</b>
<ul style="list-style-type: none"> <li>Restripe 88 Parking Stalls Lot To Existing Pattern Using Reflectorized White/Yellow Latex Traffic Paint.</li> <li>Layout And Paint 5 ADA Handicap Stall(S) Using Reflectorized White And Blue Latex Traffic Paint.</li> <li>Paint Approx. 300 Linear Feet Of 4 Inch Striping Using Reflectorized White Latex Traffic Paint.</li> <li>Install 4 Each New Parking Blocks.</li> <li>Re-Pin 35 Each Existing Parking Blocks. - <b>Sunland Asphalt Is Not Responsible For Damage To Parking Blocks Due To Deteriorating Concrete In Parking Blocks.</b></li> <li>Install 1 Each New ADA Sign On New Telspar Post Into Existing Base.</li> <li><b><i>All Pavement Striping To Be Applied With One (1) Coat Of Paint.</i></b></li> </ul>	
<b>Subtotal for above 2 - 39 Road 6500 Items:</b>	<b>\$112,436.080</b>
<b>Kirtland, NM 6.9375%:</b>	<b>\$7,800.250</b>
<b>Total Price for above 2 - 39 Road 6500 Items:</b>	<b>\$120,236.330</b>
<b>Bid Price Subtotal:</b>	<b>\$124,021.270</b>
<b>Total Kirtland, NM 6.9375%:</b>	<b>\$8,603.980</b>
<b>Total Bid Price:</b>	<b><u>\$132,625.250</u></b>

**Notes:**

• **IMPORTANT NOTICE:**

- In order to hold pricing, this proposal must be signed and returned within 15 days from the bid date specified above. Due to the pricing volatility of our industry at the moment, Sunland reserves the right to update pricing at any time prior to start of work.**
- Sunland will provide a phasing plan to our point of contact if requested, but Sunland Asphalt is **not responsible for notifying residents, tenants, or customers.** If vehicles are not moved prior to the start each phase, Sunland Asphalt will require additional cost for towing and/or crew downtime. Please refer to towing selection form at time of scheduling for more information.
  - The depth of the existing asphalt or concrete is only an estimate. Additional depth may require additional charges. The removal of the asphalt or concrete has been bid for that function alone and does not include excavation of the base or subbase. If at the time of the removal, it is determined that contamination of water has weakened either the base or the subbase, additional charges would be negotiated to correct the unforeseen problem. If upon the removal of the asphalt or concrete, it is found that structures exist below the asphalt or concrete such as concrete footings, abandoned pipes, metal supports, etc., an additional charge would be negotiated to remove these obstructions if they would impede or prohibit grade consistencies. Sunland Asphalt or concrete will not be held liable for any underground cables, electrical lines, water lines or any other underground obstruction not locatable or not buried to a depth less than 18" below the existing finished grade.
  - Asphalt repaves and/or asphalt R&R's are not represented to change the course of water runoff and may obstruct water runoff from other sources. An Asphalt repave and/or asphalt R&R may not eliminate water ponding, as it will follow the contours of the original pavement. Asphalt repave and/or asphalt R&R will not remedy pre-existing subgrade deficiencies. If it is determined that prior repairs are necessary, an option for that work will be offered. Sunland Asphalt cannot be responsible for any pre-existing subgrade deficiencies. The depth of the Asphalt repave and/or asphalt R&R, as stated on the proposal, is represented as the average depth after compaction given the standard 1/4" tolerance.
  - No permits, fees, bonds, testing, concrete, striping bumper blocks, signs (No signage of any kind, electrical signs of any kind, barricades, stop signs, handicap signage, warning or beware signs) weed killers, water meter, or staking in price unless noted in contract. There will be an extra charge based on time and material for the removal and replacement of dirt or soil if hardpan or caliche is found unless otherwise noted. Additional charges may be applied resulting from circumstances beyond the control of Sunland Asphalt which prohibit the above mentioned work from being completed as scheduled. (i.e., unmoved vehicles, trailers, sprinklers, vandalism, etc.). Any pre-existing ADA compliance issues are excluded from contract unless specifically stated in proposal. Sunland Asphalt will not be held liable for any underground cables, electrical lines, water lines, irrigation lines, sensor loops or any other underground obstruction not buried to a depth less than 18" below the existing finished grade.
  - Additional (downtime/mobilization) charges may result from delays beyond the control of Sunland Asphalt (or its subcontractors) which prohibit the above mentioned work from being completed as scheduled. (i.e., unmoved vehicles, disregard for Sunland traffic control, sanitation/delivery services, sprinkler runoff, etc.)  
-If too windy to spray apply, contractor may elect to squeegee apply the sealer.
  - Materials and workmanship are warranted for a period of (1) year. Crack seal and separations due to freeze/thaw cycles and pavement shrinkage are a normal condition and not covered by the warranty. Consequently, this work will not be repaired by Sunland Asphalt.

<p><b>ACCEPTED:</b></p> <p>The above prices, specifications and conditions are satisfactory and are hereby accepted.</p> <p><b>Buyer:</b> _____</p> <p><b>Signature:</b> _____</p> <p><b>Date of Acceptance:</b> _____</p>	<p><b>CONFIRMED:</b></p> <p><b>Sunland Asphalt &amp; Construction, LLC</b></p> <p><b>Authorized Signature:</b> _____</p> <p><b>Project Consultant:</b> Oscar Ortiz 505-270-9486 oortiz@sunlandasphalt.com</p>
--	---



47 Road 6500  
Kirtland, NM

**Trench Patching (TP)**

TP 1 - 685 lf  
TP 2 - 436 lf  
TP 3 - 487 lf  
TP 4 - 687 lf

47 Road 6500

Crack seal  
Seal coat  
Restripe

39 Road 6500

Crack seal  
Seal coat  
Restripe

Install new ADA sign  
including Van  
Accessible on new  
telspar post

39 Rd 6500

TP 1

TP 2

TP 3

TP 4

Kirtland Youth Association





## RED APPLE TRANSIT AGREEMENT FARMINGTON – KIRTLAND

The Town of Kirtland, New Mexico, hereinafter called "Kirtland," and the City of Farmington, New Mexico, hereinafter called "Farmington," enter into this agreement to provide public transportation services between Kirtland and Farmington.

WHEREAS, Kirtland does not operate a public transportation service for citizens residing in Kirtland.

WHEREAS, Farmington and Kirtland desire to enter into an agreement whereby such services are provided to citizens of Kirtland and desire to set forth herein their understanding and covenants concerning the services to be provided.

NOW, THEREFORE, it is mutually agreed and understood by and between the parties hereto, as follows:

1. Services. The City of Farmington shall provide Red Apple Transit service routes in Kirtland. Stops include: all town limit stops (K4, K5, K6, K7, K8) entering the town (from direction of Farmington to Kirtland) towards San Juan College West (Road 6500), to Navajo Transit Transfer Point (Road 6400), and exiting the town towards Farmington. Services are provided Monday through Friday from 6:25 am until 6:33 pm in the form of three bus runs and Saturday from 6:25 am until 6:33 pm in the form of three bus runs. Buses will not run on holidays: New Year's Day, MLK Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, and Christmas Day.

2. Effective Date and Term. This Agreement shall be effective July 1, 2023 and shall terminate on June 30, 2024.

3. Compensation. The compensation includes a Base Line Cost to operate a bus on a run (maintenance, fuel consumption, driver wages, etc.), the costs associated for each mile, and the amount of daily runs to the furthest bus stop distance (costs are not determined on number of bus stops). Kirtland will compensate Farmington for the services rendered in the annual amount of Eleven thousand nine hundred ninety four dollars and 00/100 (\$11,994.00), payable in quarterly payments of Two thousand nine hundred ninety eight dollars and 00/100 (\$2,998.50).

4. Purpose/Non-Discrimination. Farmington agrees to expend said funds to provide the services described herein and for no other purpose. Farmington further agrees that it shall not discriminate in the provision of services hereunder on the basis of race, creed, national origin, age, sex, or religion.

UTAH | COLO.

ARIZ. | N.M.



## CITY OF FARMINGTON

101 N. Browning Pkwy.  
Farmington, NM 87401-2663  
Phone: (505) 599-8221  
Fax: (505) 599-8219  
Email: amontoya@fmtn.org

5. Independent Contractor/Indemnity. It is understood and agreed that Farmington is an independent contractor and shall not act, or represent to be acting, as an employee, agent or servant of Kirtland, and Farmington further agrees to hold Kirtland harmless from and against all claims, suits, actions, costs, counsel fees, expenses, damages, judgments or decrees sustained by any person or persons and resulting from Farmington's actions, omissions, or the action or omissions of its employees, agents or servants under this Agreement.

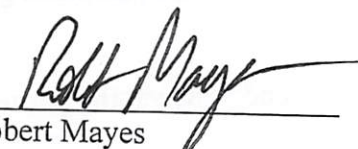
6. Termination. Either party may terminate this Agreement on thirty (30) days written notice to the other party.

The parties hereto have executed this Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

CITY OF FARMINGTON

TOWN OF KIRTLAND

By

  
Robert Mayes  
City Manager

By

\_\_\_\_\_  
Mark Duncan  
Town Mayor

Date:

4-24-23

Date:

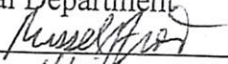
\_\_\_\_\_

Approved as to Form:

Legal Department

By

Date

  
4/20/23

RED APPLE TRANSIT



Town of Kirtland, NM

Request for Proposals: Professional Audit Services

RFP#2020-001

DUE DATE: May 11, 2020 2:00pm





**Beasley, Mitchell & Co.**  
Certified Public Accountants

Brad Beasley, CPA, Partner  
Christine Wright, CPA, Partner  
Tony Morán, CPA, Partner  
Christopher Salcido, CPA, Partner

May 07, 2020

Gwen Warner  
Clerk  
Town of Kirtland  
47 Road 6500  
Kirtland, NM 87417

Re: Request for Proposals

Dear Gwen Warner,

I am pleased to present our proposal to provide audit services for the Town of Kirtland (the Town) for the fiscal year ending June 30, 2020 with the option to renew for two additional one-year periods, in accordance with Government Auditing Standards (Yellow Book), Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative requirements, Cost Principles and audit requirements for Federal awards (Uniform Guidance), and audits of municipalities.

We take pride in our service and are confident that you will find our services to be of the highest degree of professionalism and quality. I believe that with our experience with cities, governmental funding and Single Audits, and overall knowledge and audit experience, we are an excellent choice for the Town. Beasley, Mitchell & Co., LLP has experience in providing all the services outlined in the request for proposal. This proposal is valid for ninety (90) days after the deadline for submission of the proposal, or sixty (60) days after receipt of a best and final offer if one is submitted. We will not use any subcontractors in this engagement. We have read all the specifications and accept the conditions governing the procurement stated in Section II, Paragraph C.1.

We look forward to building such a relationship with you. If you have any questions, please contact me at 575-528-6700 or by e-mail at [brad@bmc-cpa.com](mailto:brad@bmc-cpa.com), or Dahlia Garcia, CPA, Audit Manager, at 915-831-9253 or by email at [garciadp@bmc-cpa.com](mailto:garciadp@bmc-cpa.com). Dahlia Garcia will be your main point of contact. Brad Beasley is authorized to make representations for Beasley, Mitchell, & Co., LLP and to bind our firm to a contract.

Very truly yours,

Brad Beasley, CPA, CGMA  
Audit Partner



Find us on Forbes 2020 "America's BEST Accounting Firms" List  
509 S. Main, Suite A • P.O. Drawer 550 • Las Cruces, NM 88004  
Telephone 575.528.6700 • Facsimile 575.528.6775

**CPAmerica**  
Member  Crowe Global



Clerk TOK <clerk@kirtlandnm.org>

## Audit Contract

Carmen Spivey <Carmens@bmc-cpa.com>  
To: Clerk TOK <clerk@kirtlandnm.org>

Thu, May 4, 2023 at 10:27 AM

Hi Lou Ann,

Yes the proposal is perfect, I would mentioned that is time to submit for a contract to the OSA, and you have the option to stay with Beasley Mitchell for at least 2 more years, and than fees would be the same as last year.



**Beasley, Mitchell & Co.**  
A Group of Public Accountants

Heidi Wells, CPA Partner  
Carmen Spivey, CPA Partner  
Josh Menden, CPA Partner  
Christopher Schuler, CPA Partner

May 07, 2020

Claudia Warner  
Clerk  
Town of Kirtland  
4700 Road 6500  
Kirtland, NM 87417

Re: Request for Proposal

Dear Claudia Warner:

I am pleased to present our proposal to provide audit services for the Town of Kirtland (the Town) for the fiscal year ending June 30, 2020 with the option to renew for two additional one-year periods, in accordance with Government Auditing Standards (previously known as the U.S. Code of Federal Regulations Part 201 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)), and audit of municipalities.

	3rd Year Hourly Rate	\$150
	3rd Year Hours	3rd Year Cost
	FY 2022 Audit	FY 2022 Audit
Financial Statement Audit	75	\$11,697
Financial Statements Preparation	20	\$3,119
SUB TOTAL	95	\$14,816
Gross Receipts Tax		\$1,232
TOTAL COMPENSATION	95	\$16,048

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## **FIRM QUALIFICATIONS AND EXPERIENCE**

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### **ABOUT BEASLEY, MITCHELL & CO, LLP**

In 1987, Don Beasley and Paul Mitchell started Beasley, Mitchell & Co., LLP, an independent certified public accounting firm. Beasley, Mitchell & Co., LLP is the largest accounting firm in Southern New Mexico employing over 60 team members, including eighteen CPAs, two Certified Fraud Examiners, one Enrolled Agent, and six bookkeepers, including several certified bookkeepers. The Accounting and Auditing department has eleven full-time professionals licensed to practice public accounting in the state of New Mexico and fully designated to perform assurance services. We will be performing this audit from our Las Cruces office.

Beasley, Mitchell & Co., LLP is guided by the following mission statement:

*Our mission is to provide exceptional quality client services,  
allowing our clients and our firm to prosper  
and for all of us to enjoy the journey.*

Beasley, Mitchell and Co., LLP has expanded services offered as demands for these services have increased due to the economic growth in New Mexico. We are actively seeking out new clients to provide audit services, by employing and training professionals who are responsible for performing governmental and not-for profit audits. The audit, assurance, and monitoring work is all supervised and reviewed to meet the highest quality control standards. Our firm provides national firm resources and experience, as identified under the engagement tools, with a local firm feel. We are dedicated to providing timely service, and quality work.

Beasley, Mitchell & Co., LLP has complied with requirements for submitting and has submitted a firm profile to the NM State Auditor, in accordance with the NM State Auditor Rule 2.2.2. NMAC.

### **FIRM INDEPENDENCE**

Beasley, Mitchell & Co., LLP is independent in all respects to the Town of Kirtland, both in fact and appearance, and exceeds all independence requirements set forth under the U.S. General Accounting Office's Governmental Auditing Standards. The firm does not have any professional relationships involving the Town for the past five (5) years, therefore there is no conflict of interest relative to performing the proposed audit. A written notice will be given to the Town if the firm enters into any professional relationships with the Town's elected officials, management, or employees during the period of this agreement.

### **EXTERNAL QUALITY CONTROL REVIEW**

Beasley, Mitchell & Co., LLP is committed to provide quality work and excellent service. We accomplish this by participating in the American Institute of Certified Public Accountants (AICPA) Peer Review Program. Further, our firm has a written quality control document which requires the firm to perform annual reviews of both the quality control process related to the auditing and accounting services provided, and also a review of select engagements performed during the last year. A copy of our latest peer review is provided in the appendix. Beasley, Mitchell & Co., LLP does not have any disciplinary action taken or pending them during the past three (3) years with state regulatory bodies or professional organizations.



## FIRM QUALIFICATIONS AND EXPERIENCE (Continued)

### EXPERIENCE

Beasley, Mitchell & Co., LLP is a full service CPA firm. The firm has performed approximately 80 governmental audits in the last 3 years including several single audits. The management assigned to your audit specialize in governmental audits.

### CLIENT LIST

CLIENT NAME	CONTACT PERSON	CONTACT NUMBER	EMAIL
Emergence Health Network	Monica Estrada	(915)887-3410	<a href="mailto:mestrada@EHNELPASO.ORG">mestrada@EHNELPASO.ORG</a>
City of Portales	Marilyn Rapp	(575)356-6662	<a href="mailto:mrapp@portalesnm.gov">mrapp@portalesnm.gov</a>
City of Sunland Park	Raquel Alarcon	(575)589-7565	<a href="mailto:raquel.alarcon@sunlandpark-nm.gov">raquel.alarcon@sunlandpark-nm.gov</a>
Hidalgo County	Tisha Green	(575)542-9428	<a href="mailto:tisha.green@hidalgocounty.org">tisha.green@hidalgocounty.org</a>
Borderplex Bi-National Alliance	Arturo Wiener	(915)298-1000	<a href="mailto:awiener@borderplexalliance.org">awiener@borderplexalliance.org</a>
Central New Mexico Housing Corporation	Lucinda Hazzard	(505)345-4949	<a href="mailto:chazzard@centralnmhousing.org">chazzard@centralnmhousing.org</a>
Angel Fire PID	Sally Sollars	(575)377-3483	<a href="mailto:office@angelfirepid.com">office@angelfirepid.com</a>
De Baca Family Practice Clinic	Susan Vick	(575)355-2404	<a href="mailto:svickwork@plateautel.net">svickwork@plateautel.net</a>
Hondo Valley Public Schools	Carmen Span	(575)653-4411	<a href="mailto:carmen.spann@regionix.org">carmen.spann@regionix.org</a>
Village of Des Moines	Christian Moehring	(575)643-6461	<a href="mailto:Christian_Moehring@nps.gov">Christian_Moehring@nps.gov</a>
City of Jal	Desiree Lopez	(575)395-3340	<a href="mailto:d.lopez@cityofjal.us">d.lopez@cityofjal.us</a>
Village of Columbus	Mayor Salas	(575)531-2663	<a href="mailto:mayor@vtc.net">mayor@vtc.net</a>
Village of Roy	Danny Laumbach	(575)485-2541	<a href="mailto:villageofroy@plateautel.net">villageofroy@plateautel.net</a>
Vaughn Municipal Schools	Trude Bauler	(575)584-2355	<a href="mailto:tbauler@vaughn.k12.nm.us">tbauler@vaughn.k12.nm.us</a>
Roy Municipal Schools	Sherita Fluhman	(575)485-2242	<a href="mailto:sfluhman@royschools.org">sfluhman@royschools.org</a>
Boys and Girls Club of Otero County	Candace Helmick	(575)437-3788	<a href="mailto:c.helmick@tularosa.net">c.helmick@tularosa.net</a>
Centro Del Obrero Fronterizo	Jackie Tellez	(915)345-8564	<a href="mailto:jackietellez@gmail.com">jackietellez@gmail.com</a>
Marlin Independent School District	Pat Lewis	(254)252-4358	<a href="mailto:plewis@marlinisd.org">plewis@marlinisd.org</a>
Cloudcroft Municipal Schools	Tom Bregler	(575)601-4416	<a href="mailto:tom.bregler@cmsbears.org">tom.bregler@cmsbears.org</a>
Dexter Consolidated Schools	Jeannie Harris	(575)734-5420	<a href="mailto:jeannie@dexterdemons.org">jeannie@dexterdemons.org</a>
Carriazo Municipal Schools	Elizabeth Montoya	(575)648-2348	<a href="mailto:liz.montoya@carrizozogrizzlies.org">liz.montoya@carrizozogrizzlies.org</a>
City of Anthony	Diana Murillo-Trujillo	(575)882-2983	<a href="mailto:mayortrujillo@cityofanthonymn.org">mayortrujillo@cityofanthonymn.org</a>
Village of Reserve	Andre Giron	(575)533-6276	<a href="mailto:agiron@villageofreserve.org">agiron@villageofreserve.org</a>
Sierra Soil and Water Conservation District	Megan Goyette	(575)894-2212	<a href="mailto:megan@sierrasoil.org">megan@sierrasoil.org</a>
Village of Mosquero	Daniela Johnson	(575)673-2322	<a href="mailto:mosquero1@plateautel.net">mosquero1@plateautel.net</a>
Village of Tularosa	Margaret Lucero	(575)585-2771	<a href="mailto:mlucero@tularosa.net">mlucero@tularosa.net</a>
City of Elephant Butte	Rani Bush	(575)744-4892	<a href="mailto:cityclerk@cityofeb.com">cityclerk@cityofeb.com</a>
Grant Soil and Water Conservation District	Rebecca Benavidez	(575)590-3323	<a href="mailto:grantswcd@zianet.com">grantswcd@zianet.com</a>
Casa Adobe	Arthur Franklin	(575)536-9340	<a href="mailto:camdwcaoffice@gmail.com">camdwcaoffice@gmail.com</a>
Texas Panhandle	Genna Dunlap	(806)351-3310	<a href="mailto:Genna.Dunlap@txpan.org">Genna.Dunlap@txpan.org</a>
Arenas Soil and Water Conservation District	Julie Dubiskas	(575)538-3782	<a href="mailto:avwawater@gmail.com">avwawater@gmail.com</a>
South Central Transit District	Velma Navarrete	(575)323-1620	<a href="mailto:vnavarrete@scrtcd.org">vnavarrete@scrtcd.org</a>



## STAFF QUALIFICATIONS AND EXPERIENCE

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Competence is derived from a combination of education and experience. All the employees at Beasley, Mitchell & Co., LLP are evaluated and assigned to projects that are within their level of education and experience. As a result, the Town of Kirtland will work with competent, technical employees that will provide quality service. Beasley, Mitchell & Co., LLP currently provides Auditing and Accounting services to over 50 clients. Among these, we have extensive experience in financial statement audits, evaluations of internal control, compliance audits, single audits, agreed upon procedures, and program specific audits.

Beasley, Mitchell & Co., LLP believes staff continuity provides better services to our clients. We realize that continued use of new staff on engagements results in additional work and time spent by both the firm and the client, so we strive to limit the turnover in staffing. The firm has experienced low turnover rates in its auditing and accounting practice.

### OUR SERVICE TEAM FOR THE TOWN OF KIRTLAND

Audit team assigned to the Town:

- Brad Beasley, CPA, CGMA, Audit Partner
- Dahlia Garcia, CPA, Audit Manager, **On-Site Manager**
- J.J. Griego, CPA, Quality Control Manager
- Itza Sosa, MACC, Staff I Auditor

Audit team not assigned to the Town but available:

- Juan Garcia, MBA, Audit Specialist
- Avi Chetty, CPA, MACC, Senior Auditor
- Amr Sakka, CPA, MSc, MACC, Senior Auditor
- Ashley Tierney, CFE, CGFM, Staff II Auditor
- Jesse Oliver, MACC, Staff I Auditor

**Qualifications found on next page**

"Diversity, Training, Relationships. Auditing is not just a job, it's a resource with Beasley, Mitchell & Co."  
- Daniela Johnson, Village Clerk, Village of Mosquero

## STAFF QUALIFICATIONS AND EXPERIENCE (Continued)

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### **Brad M. Beasley, CPA, CGMA, Partner**



#### **Qualifications**

Brad has been with Beasley, Mitchell & Co., LLP since 2004, and a partner since 2008. Brad has more than twenty years of audit experience. At Beasley, Mitchell & Co., LLP, Brad manages the Audit and Assurance practice and provides accounting and tax services to a broad range of clients with concentration in government, not-for-profit, and commercial and residential construction. He worked in Internal Audit and SEC compliance while working in the gaming industry for Harrah's Entertainment (now Caesars' Entertainment). Brad has serviced many governmental entities including the City of Portales, Hidalgo County and City of Sunland Park and many more. He serves on the AICPA Assurance Services Executive Committee and is on the Audit Committee of New Mexico State University. Brad has well over 120 hours of CPE in the last 3 years, which includes 36 hours of yellow book CPE.

### **Dahlia Garcia, CPA, Audit Manager**



#### **Qualifications**

Dahlia serves as a manager in the assurance and audit department, having joined Beasley, Mitchell & Co., LLP in 2015 after working for four years at an accounting firm in El Paso. Dahlia has over nine years of New Mexico Government audit experience. Dahlia is licensed in Texas. She has not-for-profit and governmental experience, and receives extensive yellow book training on a regular basis. Dahlia has provided external audit, risk assessment, and control assurance to many governmental entities. Dahlia has been auditing schools since 2011 and manages a large book of business. Dahlia has serviced the City of Portales, the City of Sunland Park, and the City of Jal. Dahlia has well over 120 hours of CPE in the last 3 years, which includes over 60 hours of yellow book CPE.

### **J.J. Griego, CPA, Quality Control Manager**



#### **Qualifications**

J.J. serves as the quality control manager in the assurance and audit department. J.J. is licensed in New Mexico and earned his Bachelor's degree from the University of New Mexico. He has over twenty years of experience serving governmental entities including; counties, municipalities, HUD entities, tribal entities, and school districts, and has received over 200 hours of continuing professional education over the last three years. J.J. is extremely active in the community having served as a member of Board of Directors for the New Mexico Society of CPAs, New Mexico Sports Hall of Fame, and Albuquerque Public Schools Education Foundation. J.J. will be actively involved in the supervision of field work.



## **STAFF QUALIFICATIONS AND EXPERIENCE (Continued)**

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### **Itza Sosa, MACC, Staff I Auditor**



#### **Qualifications**

Itza serves as a staff auditor in the assurance and audit department, having joined Beasley, Mitchell & Co., LLP as an intern in 2017 and promoted to Staff upon completion of her Master's degree. Itza worked as an intern for a large regional firm, in the summer of 2018 and as a graduate assistant for the accounting department at New Mexico State University for a year. Itza has held leadership positions as an accounting tutoring lab manager. Itza has serviced the Village of Mosquero as well as several smaller entities. Itza has well over 80 hours of CPE in the last 2 years, which includes 24 hours of yellow book CPE.

### **Juan Garcia, MBA, Audit Specialist**



#### **Qualifications**

Juan serves as a audit specialist in the assurance and audit department. Juan has not-for-profit and governmental experience, and has earned the Advanced Single Audit Certification. Juan also has experience in external audit and risk assessment. Juan has serviced many governmental entities, including the City of Anthony, City of Sunland Park, and Sierra Soil and Water Conservation District. He has six years of New Mexico Government auditing experience. Juan will be actively involved in the field work. Juan has well over 120 hours of CPE in the last 3 years, which includes 36 hours of yellow book CPE.

### **Avi Chetty, CPA, MACC, Senior Auditor**



#### **Qualifications**

Avi Chetty serves as a Senior auditor in the assurance and audit department, having joined Beasley, Mitchell & Co., LLP in 2015 after working for a year and a half in internal audit at University of New Mexico Internal Audit Department. Avi has five years of New Mexico Government audit experience. He has for profit, not-for-profit and governmental experience, and receives yellow book training on a regular basis. Avi has serviced the City of Jal, Hidalgo County and the Village of Columbus. Avi will be actively involved in the audit field work. Avi has well over 120 hours of CPE in the last 3 years, which includes 36 hours of yellow book CPE.

## **STAFF QUALIFICATIONS AND EXPERIENCE (Continued)**

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### **Amr Sakka, CPA, MSc, MACC, Senior Auditor**



#### **Qualifications**

Amr has been with Beasley, Mitchell & Co., LLP since October 2014. Amr works on audits for government, for-profit and not-for profit entities and Single Audits. Amr spent four years working for PricewaterhouseCoopers in Syria. He was an Assistant Audit Manager and was in charge of auditing multi-international clients in Telecommunication, Oil and Gas, and Hotels. Amr was in-charge of the audit of some local banks and brokerage companies in Syria. Amr managed the Initial Public Offering of one of the biggest insurance companies in 2010, listing in the Damascus Securities Exchange. Amr has over ten years of audit experience including five years auditing New Mexico Governments. Amr has provided services for North Central Solid Waste Authority, Hondo Valley Public Schools, Village of Reserve and many more. Amr has well over 120 hours of CPE in the last 3 years, which includes 36 hours of yellow book CPE.

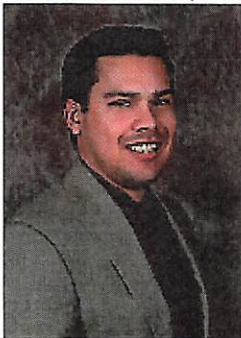
### **Ashley Tierney, CFE, CGFM, Staff II Auditor**



#### **Qualifications**

Ashley serves as a Staff II Auditor in the assurance and audit department, having joined Beasley Mitchell & Co., LLP in mid-2018 after working in government for 6 years. She has experience in both federal and municipal government contract compliance as well as municipal governmental accounting. She has serviced Roy Municipal Schools, Carrizozo Municipal Schools, and Cloudcroft Municipal Schools. Ashley receives yellow book training on a regular basis and will be actively involved in the audit field work. Ashley has well over 80 hours of CPE in the last 2 years, which includes 24 hours of yellow book CPE.

### **Jesse Olivar, MACC, Staff I Auditor**



#### **Qualifications**

Jesse serves as a staff auditor in the assurance and audit department, having joined Beasley, Mitchell & Co., LLP in 2018 after working for a year and a half as a graduate assistant at New Mexico State University and three years for a financial institution. Jesse has serviced Burrell College of Osteopathic Medicine, City of Sunland Park, and Vaughn Municipal Schools. Jesse will be actively involved in the audit field work. Jesse has well over 80 hours of CPE in the last 2 years, which includes 24 hours of yellow book CPE.



## REFERENCES

---

### PROPOSED STAFF REFERENCES

**Reference:**

City of Sunland Park  
Raquel Alarcon, Finance Director  
1000 McNut Rd Ste A, Sunland Park NM 88063  
(575) 589-7565

City of Portales  
Marilyn Rapp, CPA, Finance Director  
100 W. First Street, Portales, NM 88130  
(575) 356-6662

**Services Provided:**

Start date: 07/17/2019  
Date of completion: 12/16/2019  
Financial statement audit  
Single Audit  
HUD filing-Housing Authority  
Financial statement preparation  
Engagement partner: Brad Beasley

Start date: 08/16/2019  
Date of completion: 12/13/2019  
Financial statement audit  
Single audit  
Lodger's tax audit  
Financial statement preparation  
Engagement partner: Brad Beasley

### CORPORATE REFERENCES

**Reference:**

Hidalgo County  
Tisha Green, County Manager  
305 Pyramid Street, Lordsburg, NM 88045  
(575) 542-9428

Curry County  
Lance Pyle, County Manager  
417 Gidding St., Suite #100, Clovis, NM 88101  
(575) 799-1405

Village of Reserve  
André Giron, Clerk-Treasurer  
15 Jake Scott Street, Reserve, NM 87830  
(575) 533-6276

**Services Provided:**

Start date: 09/10/2019  
Date of completion: 11/27/2019  
Financial statement audit  
Financial statement preparation  
Engagement partner: Brad Beasley

Start date: 04/04/2019  
Date of completion: 05/13/2019  
Agreed-upon procedures  
Engagement partner: Brad Beasley

Start date: 08/16/2019  
Date of completion: 12/13/2019  
Financial statement audit  
Financial statement preparation  
Engagement partner: Brad Beasley

# AUDIT APPROACH

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## SCOPE OF WORK

Beasley, Mitchell & Co., LLP will perform the annual financial and compliance audit of the Town for the fiscal year ending June 30, 2020. This audit will be performed in accordance with Generally Accepted Auditing Standards (GAAS), the standards set forth for financial audits in the U.S. General Accounting Office's (GAO) Government Auditing Standards, the provisions of the Federal Single Audit Act and Applicable Federal OMB Circulars, Audits of State and Local Governments. This audit will comply with the 2020 New Mexico State Auditor's Rule NMAC 2.2.2, Regulations Governing the Audits of Agencies, and the terms and conditions of the State Auditor's contractual agreement.

## AUDIT APPROACH AND PROPOSED SCHEDULE

We believe a properly planned audit is important not only to the auditor, but also to the organization being audited. Time spent with the Town of Kirtland's management and finance staff during the planning stages will result in a better understanding of the organization, thus providing for the development of a custom risk-based audit plan specifically for the Town of Kirtland, which will allow for the maximization of efficiency and effectiveness of the audit, while complying with U.S. GAAP, GAGAS and the Uniform Grant Guidance for Single Audit.



### Engagement Acceptance

Initial meetings with the Town of Kirtland's management will help us evaluate the organizational structure, and we will come to a mutual agreement on the timeline for the various steps of the engagement process. We will share our expectations of management and staff, while allowing management and staff to share their expectations of us. Our goal is not to second-guess management and staff, but to form independent conclusions resulting from our procedures. We will conduct the audit in accordance with GAAS, GAGAS and any other respective regulatory agencies.

### Engagement Plan

The extent and nature of the procedures designed and applied are customized to your Organization, based on size, complexity, and structure. Based on the information provided and observation of operations, we will modify our approach in order to meet the objectives of the engagement. We will perform an assessment of inherent and control risk.

In assessing inherent risk we will consider the susceptibility of error in account balances and transactions that would result in material misstatement. Factors include but are not limited to the nature of the organization, the skills, knowledge and experience of employees, and prior year noncompliance identified, if any.

## **AUDIT APPROACH (Continued)**

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Control risk would then be assessed by identifying and evaluating the control system in place, and the effectiveness of those controls. We will become familiar with the internal policies and procedures, and we will identify and consider significant risks. Significant transaction classes will be walked through allowing us to understand the entity and its internal control environment. Subsequently, we will observe and test key controls that help prevent, detect and correct material misstatements and noncompliance.

### Implementation of Plan

Once the risk assessment is complete, sampling and substantive testing will be determined. Our sampling will be statistical based to ensure a representative population sample is tested. Some nonstatistical sampling may be used as deemed necessary. Test of details will be applied in the transactions and balances that have been determined to be of higher risk. Analytical procedures will be applied and evaluated to establish expectations and determine the plausible relationships, both financial and nonfinancial.

### Completion

After performing our audit procedures, the engagement team will perform concluding steps, including but not limited to writing up the audit report to meet the engagement objectives, complete final analytics, to ensure that the information tested and the report are complete, accurate, and identify any anomalies. We will present the audit results to the respective members of management and governance, as designated by the organization.

## **ENGAGEMENT TOOLS**

We utilize Case Ware, an electronic audit engagement and financial statement preparation platform. Using Internet access, we are able to share work with staff members located at our offices. Clients can either provide us with original source documents, which we scan into our system, or provide us with electronic versions using a secure transfer service. Beasley, Mitchell & Co., LLP complies with all professional standards regarding confidentiality of client information.

We use Checkpoint, a group of tools that provide a web based data search engine which includes the auditing standards and other rules and regulations that are applicable to some audits. The tools and software used are updated frequently, and provide guidance in the application of the entity being audited. These tools allow us to better serve the organization.

Beasley, Mitchell & Co., LLP is a member of CPAmerica (CPAmerica) and Horwath International (Horwath). CPAmerica is an exclusive international organization of independent certified public accounting firms, and Horwath is the second largest accounting association in the world. These affiliations guarantee our clients access to the advice and resources of more than 10,000 industry professionals in over 90 countries around the world. These affiliations allow us to share best practices and technical and industry resources, as well as allow us to leverage resources for interactive national training to small groups of professionals.

## **ANTICIPATED POTENTIAL AUDIT ISSUES**

We do not anticipate any audit issues. Beasley, Mitchell & Co., LLP will immediately address any problems identified with management. Further, we will ensure that any matters are addressed with the intention to meet state deadlines.



## AUDIT APPROACH (Continued)

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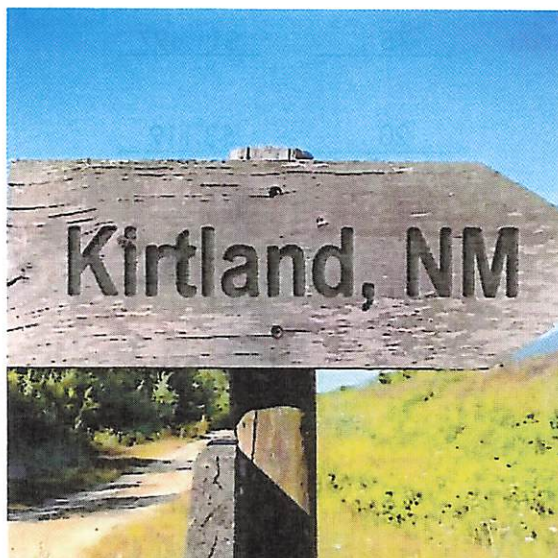
### USE OF TOWN STAFF

Beasley, Mitchell & Co., LLP will use town staff to provide reports from the accounting system and to pull supporting documentation for samples. We are very conscious of the fact that your work does not stop just because we are at your office. With that in mind, we will try to minimize interruptions of your staff and be available throughout the year for guidance to ensure the audit work is less tedious for you.

### TIMELINE

Communications before, during, and after fieldwork are important to both the firm and the client. We do not believe in holding things back, then "surprising" the client with findings or issues. Findings, if any, will be discussed with the appropriate level of management as they are discovered. The in-charge of the engagement will hold an exit conference at the end of field work with selected members of management to ensure open communication. With our numerous resources, and qualified staff, we can complete the engagement(s) in the time table prescribed by the Town as long as all information is available for us. We are committed to exceed your expectations, and our proposed timeline can be modified:

<b>Proposed Timeline</b>	
Send Requests and Start Preparation	June - August, 2020
Field Work On-site Testing	September 15, 2020
Draft Delivered to Management for Review	October 27, 2020
Finalize Audit and Submit to OSA	November 17, 2020





# COST RESPONSE FORM

1<sup>st</sup> Year Hourly Rate: \$147 2<sup>nd</sup> Year Hourly Rate: \$151

	<u>1<sup>st</sup> Year</u>	<u>1<sup>st</sup> Year</u>	<u>2<sup>nd</sup> Year</u>	<u>2<sup>nd</sup> Year</u>
	<u>Hours</u>	<u>Cost</u>	<u>Hours</u>	<u>Cost</u>
	<u>FY 2020</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2021</u>
	<u>Audit</u>	<u>Audit</u>	<u>Audit</u>	<u>Audit</u>
Financial Statement Audit	<u>75</u>	<u>\$11,025</u>	<u>75</u>	<u>\$11,356</u>
Financial Statements Preparation	<u>20</u>	<u>\$2,940</u>	<u>20</u>	<u>\$3,028</u>
SUB TOTAL	<u>95</u>	<u>\$13,965</u>	<u>95</u>	<u>\$14,384</u>
Gross Receipts Tax	<u></u>	<u>\$1,161</u>	<u></u>	<u>\$1,196</u>
TOTAL COMPENSATION	<u>95</u>	<u>\$15,126</u>	<u>95</u>	<u>\$15,580</u>

3<sup>rd</sup> Year Hourly Rate: \$156

	<u>3<sup>rd</sup> Year</u>	<u>3<sup>rd</sup> Year</u>
	<u>Hours</u>	<u>Cost</u>
	<u>FY 2022</u>	<u>FY 2022</u>
	<u>Audit</u>	<u>Audit</u>
Financial Statement Audit	<u>75</u>	<u>\$11,697</u>
Financial Statements Preparation	<u>20</u>	<u>\$3,119</u>
SUB TOTAL	<u>95</u>	<u>\$14,816</u>
Gross Receipts Tax	<u></u>	<u>\$1,232</u>
TOTAL COMPENSATION	<u>95</u>	<u>\$16,048</u>

## CONCLUSION

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### WHY BEASLEY, MITCHELL & CO., LLP IS YOUR BEST CHOICE

We are a locally owned firm with national resources. What this means for the Town of Kirtland, is that upper management is involved in every step of the engagement process. This approach ensures the utmost professionalism and care for your Town. Further, our extensive national resources allow us to provide you with technical expertise that would be difficult to attain otherwise. Beasley, Mitchell & Co., LLP differentiates itself from others in the accounting profession by providing exceptional service and premium technical services.

Our engagement strategy is specifically designed for your Town to ensure that as our client you receive the best quality and service. Your ultimate success and growth is our personal goal as your accounting firm and professional advisor.

Our firm has a dedicated audit department which performs audit and accounting services throughout the year, while many other firms our size do not have dedicated audit staff. Many firms our size provide audit services, especially for governmental agencies with fiscal year-ends, to "fill in" their year, since it is a down-time for tax preparation. Therefore, you may end up with staff that do not have the experience, background, knowledge, training, or continuing professional education that our dedicated audit team possesses.

Since communication is a key component in any business relationship, we have set expectations for all employees in the firm at all levels regarding client responsiveness. We are determined to answer emails, and phone calls as quickly as possible. We encourage all our clients to set up face to face meetings with us as deemed necessary. As a result of our commitment to excellent communication, we know the Town of Kirtland will receive optimum service.

Beasley, Mitchell & Co., LLP appreciates the opportunity to provide this proposal. We would enjoy having the Town of Kirtland as a client of our firm.

"Beasley, Mitchell & Co. is not my auditor, they are a bucket of knowledge and support available for me and my city."

-Raquel Alarcon, Finance Director, City of Sunland Park

## Resident Veteran Business Preference Certification

Beasley, Mitchell & Co. (NAME OF CONTRACTOR) hereby certifies the following in regard to **application of the resident veterans' preference to this procurement (please check one box only):**

I declare under penalty of perjury that my business prior-year revenue starting January 1 ending December 31 is less than \$1M allowing me the 10% preference discount on this solicitation. I understand that knowingly giving false or misleading information about this fact constitutes a crime.


I declare under penalty of perjury that my business prior-year revenue starting January 1 ending December 31 is more than \$1M but less than \$5M allowing me the 8% preference discount on this bid or proposal. I understand that knowingly giving false or misleading information about this fact constitutes a crime.

☒ I declare under penalty of perjury that my business prior-year revenue starting January 1 ending December 31 is more than \$5M allowing me the 7% preference discount on this bid or proposal. I understand that knowingly giving false or misleading information about this fact constitutes a crime.

I agree to submit a report, or reports, to the State Purchasing Division of the General Services Department declaring under penalty of perjury that during the last calendar year starting January 1 and ending on December 31, the following to be true and accurate:  
In conjunction with this procurement and the requirements of this business' application for a Resident Veteran Business Preference/Resident Veteran Contractor Preference under Sections 13-1-21 or 13-1-22 NMSA 1978, when awarded a contract which was on the basis of having such veterans preference, I agree to report to the State Purchasing Division of the General Services Department the awarded amount involved. I will indicate in the report the award amount as a purchase from a public body or as a public works contract from a public body as the case may be.

I understand that knowingly giving false or misleading information on this report constitutes a crime.

I declare under penalty of perjury that this statement is true to the best of my knowledge. I understand that giving false or misleading statements about material facts regarding this matter constitutes a crime.



(Signature of Business Representative)\*

05/07/2020

(Date)

\*Must be an authorized signatory for the Business.

The representations made in checking the boxes constitutes a material representation by the business that is subject to protest and may result in denial of an award or unaward of the procurement involved if the statements are proven to be incorrect.

# STATE OF NEW MEXICO

## TAXATION AND REVENUE DEPARTMENT

### RESIDENT BUSINESS CERTIFICATE

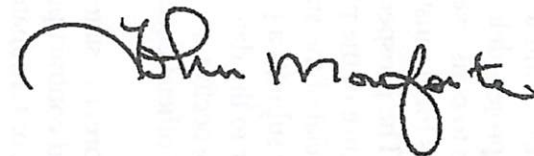
Issued to: **BEASLEY, MITCHELL & CO., LLP**

DBA: **BEASLEY, MITCHELL & CO., LLP**  
**PO BOX 550**  
**LAS CRUCES, NM 88004-0550**

Expires: **01-May-2020**

Certificate Number:

**L0693703984**



*John Monforte, Acting Cabinet Secretary*

THIS CERTIFICATE IS NOT TRANSFERABLE



## CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to the Procurement Code, Sections 13-1-28, et seq., NMSA 1978 and NMSA 1978, § 13-1-191.1 (2006), as amended by Laws of 2007, Chapter 234, any prospective contractor seeking to enter into a contract with any state Town or local public body for professional services, a design and build project delivery system, or the design and installation of measures the primary purpose of which is to conserve natural resources must file this form with that state Town or local public body. This form must be filed even if the contract qualifies as a small purchase or a sole-source contract. 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.

Furthermore, the state Town or local public body may cancel a solicitation or proposed award for a proposed contract pursuant to Section 13-1-181 NMSA 1978 or a contract that is executed may be ratified or terminated pursuant to Section 13-1-182 NMSA 1978 of the Procurement Code if: 1) a prospective contractor, a family member of the prospective contractor, or a representative of the prospective contractor gives a campaign contribution or other thing of value to an applicable public official or the applicable public official's employees during the pendency of the procurement process or 2) a prospective contractor fails to submit a fully completed disclosure statement pursuant to the law.

The state Town or local public body that procures the services or items of tangible personal property shall indicate on the form the name or names of every applicable public official, if any, for which disclosure is required by a prospective contractor.

**THIS FORM MUST BE INCLUDED IN THE REQUEST FOR PROPOSALS AND 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 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.

**"Family member"** means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law of (a) a prospective contractor, if the prospective contractor is a natural person; or (b) an owner of a prospective contractor.

**"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.

**"Prospective contractor"** means a person or business that 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 or business 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.

Name(s) of Applicable Public Official(s) if any:\_\_\_\_\_

Mayor, Tom Wethington, Town of Kirtland

Town of Kirtland Trustees:

Larry Hathaway

Jason Heslop

Alex Uhl

Pete Emery

Completed by State Town or Local Public Body)

#### DISCLOSURE OF CONTRIBUTIONS BY PROSPECTIVE CONTRACTOR:

Contribution Made By: \_\_\_\_\_

Relation to Prospective Contractor: \_\_\_\_\_

Date Contribution(s) Made: \_\_\_\_\_

Amount(s) of Contribution(s) \_\_\_\_\_

Nature of Contribution(s) \_\_\_\_\_

Purpose of Contribution(s)

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(Attach extra pages if necessary)


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.

  
Signature

05/07/2020

Date

Partner  
Title (Position)

**New Mexico Public Accountancy Board**

5500 San Antonio Dr., Suite A  
Albuquerque, NM 87109  
(505) 222-9850



**FIRM PERMIT**

**THIS IS TO CERTIFY THAT**

**Beasley, Mitchell & Co., LLP**

Having complied with the laws of the state of New Mexico and the 1999 Public Accountancy Act, which regulates the practice of Public Accountancy, is hereby authorized to perform public accounting services. This CPA firm permit is in good standing.

License Number: 8181  
First Issue Date: 06/01/1988  
Expiration Date: 06/30/2020

Beasley, Mitchell & Co., LLP  
Post Office Drawer 550  
Las Cruces NM 88004

**THIS LICENSE MUST BE CONSPICUOUSLY POSTED IN  
THE HOLDER'S REGISTERED PLACE OF BUSINESS**





**CAMICO MUTUAL INSURANCE COMPANY**

**DECLARATIONS**

**ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY**

Policy Number: NML01403-17

Effective Date: 12/12/2019 at 12:01 A.M. Standard time at the address shown below  
Expiration Date: 12/12/2020 at 12:01 A.M. Standard time at the address shown below  
Retroactive Date: 11/12/1987

Item 1 - Named Insured: Beasley, Mitchell & Co., LLP  
Item 2 - Business Address: 509 South Main Street, Suite A  
Las Cruces, NM 88001

Item 3 - Limits of Liability: \$2,000,000 Per Claim  
\$2,000,000 Policy Aggregate  
Item 4 - Deductibles: \$10,000 Per Claim Deductible

Item 5 - Total Premium: \$29,314

Item 6 - The policy consists of this Declarations page, and the following policy forms and endorsements:

PL-1000-A	07/14	Accountants Professional Liability Insurance Policy
PL-2039-A (NM)	07/14	State Endorsement - New Mexico
PL-2042-A (NM)	07/14	Disclosure Notice
PL-1004-A	07/14	Dollar One Defense Endorsement
PL-1007-A	07/14	Exclusion - Claims Following Insureds Suit for Fees
PL-1034-A	07/14	Excluded Entities
PL-1039-A	07/14	Computer Consulting Endorsement
PL-1047-A	07/14	Lawyer Attorney Exclusion
PL-1049-A	07/2014	Privacy and Client Network Damage Endorsement
PL-1056-A	06/16	Multiple Claims and Related Acts, Errors and Omissions Amendment

**PLEASE READ THESE DECLARATIONS, THE POLICY AND ENDORSEMENTS CAREFULLY.**

**CAMICO Mutual Insurance Company**

Authorized Representative

## **Report on the Firm's System of Quality Control**

August 22, 2017

To Beasley, Mitchell & Co., LLP  
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 Beasley, Mitchell & Co. LLP (the firm) in effect for the year ended March 31, 2017. 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 Accountant (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](http://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 review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### **Deficiencies Identified in the Firm's System of Quality Control**

We noted the following deficiencies during our review:

1. The firm is not in compliance with its quality control policies and procedures requiring documentation of all required audit procedures. As a result, during our review of an employee benefit plan audit, we noted several required procedures that were not documented, rendering the engagement nonconforming. An expansion of scope to a similar audit revealed the same omissions. The omitted documentations are as follows:

1. Identification of all parties-in-interest

2. Testing of Design and implementation of internal controls over participant data, allocations and contributions
  3. Understanding of design and implementation of relevant complementary user entity controls identified by the service organization, required despite the fact that this plan was terminated prior to the audit
  4. Test of proper allocation of individual contributions to investments selected by the participants
  5. Reconciliation of sum of participant accounts with total net assets available for plan benefits
  6. Plan certification
  7. Test of receipt of benefit payments
  8. Consideration of subsequent events
  9. Auditor's report does not cover all financial statements presented
2. The firm's quality control policies and procedures requires partner review of compilation engagements prior to issuance, However, on a personal financial statement compilation we reviewed, the firm was not in compliance with that policy. As a result, the statement of financial condition did not include a material amount of estimated tax on net appreciation of assets as required by professional standards, rendering the engagement nonconforming. The firm was able to provide examples of similar engagements that were infact performed in conformity with standards as to this issue, so this issue is considered isolated to this engagement. Further, the engagement letter referred to a special purpose framework but the financials were prepared pursuant to GAAP.

#### **Opinion**

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of Beasley, Mitchell & Co., LLP in effect for the year ended March 31, 2017, 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*. Beasley, Mitchell & Co., LLP has received a peer review rating of *pass with deficiency*.

*Daniel Kinard & Co., PC*  
Certified Public Accountants