



**MESA DEL SOL PUBLIC  
IMPROVEMENT DISTRICT 1**

**FINANCIAL STATEMENTS**

**JUNE 30, 2016**

**MOSS-ADAMS<sub>LLP</sub>**

Certified Public Accountants | Business Consultants

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**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1**

**Official Roster  
As of June 30, 2016**

**Board of Directors**

Jon Zaman	Chairman
Brent Dupes	Treasurer
Ernest Jenkins	Member
Jacques Blair	Member
Manuel Barrera	Member

## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
Mesa del Sol Public Improvement District 1  
and  
Mr. Timothy Keller  
New Mexico State Auditor  
Santa Fe, New Mexico

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the budgetary comparison for the general fund of Mesa del Sol Public Improvement District 1 (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We have also audited the budgetary comparisons for the capital project fund and major debt service funds presented as supplementary information, as defined by Governmental Accounting Standards Board, in the accompanying individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Directors  
Mesa del Sol Public Improvement District 1  
and  
Mr. Timothy Keller  
New Mexico State Auditor  
Santa Fe, New Mexico

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the respective budgetary comparison for the general fund of the District as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to the above present fairly, in all material respects, the respective budgetary comparisons for the capital project fund and major debt service funds for the year ended June 30, 2016 in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 9 to the financial statements, the beginning balance of net position has been restated due to unrecorded subordinated promissory note in the prior years. The restatement resulted in a decrease of the net position of \$1,000,000. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 5 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

The schedule of vendor information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on it.

To the Board of Directors  
Mesa del Sol Public Improvement District 1  
and  
Mr. Timothy Keller  
New Mexico State Auditor  
Santa Fe, New Mexico

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Mess Adams LLP*

Albuquerque, New Mexico  
May 12, 2017

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
JUNE 30, 2016**

As management of the Mesa del Sol Public Improvement District 1 (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, 2016. We encourage readers to consider the financial information presented here in conjunction with the financial statements and accompanying notes which follow this section.

The District is a political subdivision of State of New Mexico duly created and existing pursuant to Sections 5-11-1 through 5-11-27 NMSA 1978, as amended, City of Albuquerque (City) Enactment No. 0-2003-12 and City Resolution Enactment No. R-2008-045 adopted on March 3, 2008 (the "Formation Resolution").

In addition to forming the District, the Formation Resolution also authorized the imposition and collection of a Special Levy against real property in the District, all of which will benefit from the Special Levy, to be used for the purpose, among others, of paying the principal of and interest on such bonds, as more particularly described herein.

*Financial Highlights*

The financial statements, which follow the Management's Discussion and Analysis, provide those significant key financial highlights for fiscal year 2016 as follows:

- In the Statement of Net Position, the District's total net position as of June 30, 2016 amounted to a deficit of \$5,613,837.
- During the fiscal year, the District restated the beginning balance of net position by \$1,000,000 to account for the unrecorded subordinated promissory note to the Developer (see Note 9).
- In the Statement of Activities, the Special Levy revenue and general government expenses amounted to \$527,616 and \$59,569, respectively.
- In the Statements of Activities, the District incurred \$380,707 in interest expense for the fiscal year ended 2016.

*Overview of Financial Statements*

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
JUNE 30, 2016**

In the government-wide financial statements, the District's activities are presented in the following category:

***Governmental activities*** – Governmental activities include the District's basic activities such as assessment of special levy and payment of administrative expenses. In the future, the District will reimburse the developer for the construction of certain public infrastructure improvements as provided in the Act and the governing documents of the District, including the Master Development Agreement among the District, the developer, and the City.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental funds*** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The reconciliations are on pages 12 and 14, respectively.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 16 of these financial statements.

**Government-wide Financial Analysis**

Net position may serve over time as a useful indicator of a district's financial position. The District's liabilities exceeded assets by \$5,613,837 as of June 30, 2016.

The District was formed, and may reimburse the developer, for the design and construction of infrastructure (consisting of streets, drainage, landscaping, water and wastewater improvements, and related improvements), portions of trunk infrastructure (consisting of Phases I and II of University Boulevard and Phases I and II of Mesa del Sol Boulevard, water and wastewater improvements, and drainage), portions of other trunk infrastructure (water supply facilities, elevated storage, underground storage, water pump station, sanitary sewer pump station, reservoir, storm detention ponds, parks, and infrastructure improvements related to the foregoing), police, fire and safety facilities, community centers, and other public facilities serving the District.



**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
JUNE 30, 2016**

The following table presents the condensed net position at June 30:

	<u>2016</u>	<u>2015</u> (Restated)
Current assets	\$ 870,962	\$ 954,184
Other assets	-	-
	<u>870,962</u>	<u>954,184</u>
Current liabilities	158,712	291,289
Long-term obligations outstanding	6,326,087	6,364,783
	<u>6,484,799</u>	<u>6,656,072</u>
Net Position – (deficit)	<u>\$ (5,613,837)</u>	<u>\$ (5,701,888)</u>

The following are significant current year transactions that have had an impact on the Statement of Net Position:

- Special levy increased from \$526,476 in fiscal year 2015 to \$527,616 in fiscal year 2016.
- General government expenditures decreased from \$99,553 in fiscal year 2015 to \$59,569 in fiscal year 2016.

**Change in net position.** The following table presents a summary of the change in net position for fiscal years ended June 30:

	<u>2016</u>	<u>2015</u>
<b>Expenses</b>		
General government	\$ (59,569)	\$ (99,553)
Interest	(380,707)	(382,217)
	<u>(440,276)</u>	<u>(481,770)</u>
<b>General Revenues</b>		
Special levy	527,616	526,476
Interest income	711	66
Dividend income	-	-
	<u>528,327</u>	<u>526,542</u>
Change in net position	<u>\$ 88,051</u>	<u>\$ 44,772</u>

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
JUNE 30, 2016**

**Financial Analysis of the Governmental Fund**

The District's revenues in the governmental funds amounted to \$531,955 while expenditures amounted to \$474,475. The major expenditures of the District are the debt service payments and administrative expenses. The general fund has unassigned fund balance of \$376,154, representing 631% of the total expenditures during the fiscal year.

**General Fund Budgetary Highlights**

The District adopts an annual budget, which projects the expected expenditures (based on administrative expenses, debt service payments, and construction reimbursement estimated) and the estimated special levy for each year. There were no changes in the original budget for the fiscal year 2016.

**Capital Assets and Debt Administration**

The District owns no significant capital assets at June 30, 2016. It is anticipated that the District will not, in the future, own any capital assets. The capital improvements that are to be financed by the District are all to be dedicated to the City. It is anticipated that all dedications will be done by the developer directly to the City, on behalf of the District.

Pursuant to Resolution No. 2013-07 adopted on September 18, 2013, the District issued its \$5,435,000 Special Levy Revenue Bonds, Series 2013 (Bonds) on December 19, 2013. Under the Indenture dated December 1, 2013, the Bonds are payable from revenues received by the District in each fiscal year from the payment of the Special Levy, authorized pursuant to the Act to be levied against parcels of land within the District in accordance with the Rate and Method of Apportionment of the Special Levy for the District approved by the City in the Formation Resolution.

The outstanding debt at June 30, 2016 is \$5,364,783 (net of discount of \$35,217). The next principal payment of \$40,000 was made on October 1, 2016.

**Requests for Information**

This narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, 2016 is designed to give its readers a general overview of the District's finances. Questions regarding any information contained in this report or requests for additional information should be addressed to the Treasurer of the Mesa del Sol Public Improvement District 1, Brent Dupes, 5700 University West Blvd SE #310, Albuquerque, NM 87106.

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1**  
**STATEMENT OF NET POSITION**  
**June 30, 2016**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 834,898
Interest in State Treasurer Local Government Investment Pool	8
Special levy receivable	<u>36,056</u>
<b>Total assets</b>	<u>870,962</u>
<b>LIABILITIES</b>	
Accrued expenses - professional services	25,291
Interest payable	94,725
Subordinated note payable	1,000,000
Revenue bond payable	
Due within one year	38,696
Due in more than one year	<u>5,326,087</u>
<b>Total liabilities</b>	<u>6,484,799</u>
<b>NET POSITION</b>	
Unrestricted (deficit)	<u>\$ (5,613,837)</u>

*See Notes to Financial Statements.*

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2016**

	<u>Expenses</u>	<u>Governmental Activities</u>
Expenses		
General government	\$ 59,569	\$ (59,569)
Interest	380,707	(380,707)
<b>Total expenses</b>	<u>\$ 440,276</u>	<u>(440,276)</u>
General Revenues		
Special levy		527,616
Interest income		711
		<u>528,327</u>
Change in net position		88,051
Net position, beginning as previously reported		(4,701,888)
Restatement (Note 9)		<u>(1,000,000)</u>
Net position, beginning of the year as restated		<u>(5,701,888)</u>
<b>Net position, ending</b>		<u><u>\$ (5,613,837)</u></u>

*See Notes to Financial Statements.*

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2016**

	General Fund	Project Fund	Bond Fund	Reserve Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 368,451	\$ 911	\$ 20	\$ 465,516	\$ 834,898
Interest in State Treasurer Local Government Investment Pool	8	-	-	-	8
Special levy receivable	36,056	-	-	-	36,056
	<u>404,515</u>	<u>911</u>	<u>20</u>	<u>465,516</u>	<u>870,962</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities					
Accrued expenses	25,291	-	-	-	25,291
<b>Total liabilities</b>	<u>25,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,291</u>
Deferred inflows of resources					
Special levy receivable not yet available	3,071	-	-	-	3,071
<b>Total deferred inflows of resources</b>	<u>3,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,071</u>
Fund balances					
Restricted	-	911	20	465,075	466,006
Unassigned	376,153	-	-	441	376,594
<b>Total fund balances</b>	<u>376,153</u>	<u>911</u>	<u>20</u>	<u>465,516</u>	<u>842,600</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 404,515</u>	<u>\$ 911</u>	<u>\$ 20</u>	<u>\$ 465,516</u>	<u>\$ 870,962</u>

*See Notes to Financial Statements.*

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
Year Ended June 30, 2016**

Reconciliation of the Governmental Fund Balance  
Sheet to the Statement of Net Position:

Fund balances - total governmental funds	\$ 842,600
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Long-term obligations for the revenue bonds are not due and payable in the current period, and therefore, not reported in the governmental funds.	(5,364,783)
Subordinated note payable	(1,000,000)
Interest payable on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	(94,725)
A portion of receivables reported in the Statement of Net Position is not currently available in the fund	<u>3,071</u>
<b>Net position of governmental activities</b>	<b><u><u>\$ (5,613,837)</u></u></b>

*See Notes to Financial Statements.*

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2016**

	General Fund	Project Fund	Bond Fund	Reserve Fund	Total
<b>Revenues</b>					
Special levy	\$ 531,243	\$ -	\$ -	\$ -	\$ 531,243
Interest income	227	1	21	462	711
	<u>531,470</u>	<u>1</u>	<u>21</u>	<u>462</u>	<u>531,954</u>
<b>Expenditures</b>					
General government	59,569	-	-	-	59,569
Debt Service:					
Principal	-	-	35,000	-	35,000
Interest	-	-	379,906	-	379,906
<b>Total expenditures</b>	<u>59,569</u>	<u>-</u>	<u>414,906</u>	<u>-</u>	<u>474,475</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>471,901</u>	<u>1</u>	<u>(414,885)</u>	<u>462</u>	<u>57,479</u>
<b>Other financing sources (uses)</b>					
Transfer in	-	-	414,904	-	414,904
Transfer out	(414,840)	-	-	(64)	(414,904)
<b>Total</b>	<u>(414,840)</u>	<u>-</u>	<u>414,904</u>	<u>(64)</u>	<u>-</u>
<b>Net change in fund balances</b>	57,061	1	19	398	57,479
Fund balances, beginning	<u>319,092</u>	<u>910</u>	<u>1</u>	<u>465,118</u>	<u>785,121</u>
<b>Fund balances, ending</b>	<u>\$ 376,153</u>	<u>\$ 911</u>	<u>\$ 20</u>	<u>\$ 465,516</u>	<u>\$ 842,600</u>

*See Notes to Financial Statements.*

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2016**

Reconciliation of the Governmental Fund Statement of  
Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Net Position

Net change in fund balance - total governmental fund	\$	57,479
Amounts reported for governmental activities in the Statement of Activities are different because:		
The repayment of long-term debt consumes current financial resources of the governmental funds. This has no effect on the net position in the Statement of Activities		35,000
Governmental funds report interest expense when the amount is paid, whereas the Statement of Activities reports interest on an accrual basis.		503
Government funds report the effect of the discount and the related current year amortization, whereas the amount is deferred and amortized in the Statement of Net Position		(1,304)
Special levy taxes that are not recognized in the fund balance		<u>(3,627)</u>
Change in net position of governmental activities	\$	<u><u>88,051</u></u>

*See Notes to Financial Statements.*



**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
 BUDGET TO ACTUAL SCHEDULE (GENERAL FUND)  
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues</b>				
Special levy	\$ 536,037	\$ 536,037	\$ 531,243	\$ (4,794)
Interest income	-	-	227	227
Dividend income	-	-	-	-
<b>Total revenues</b>	<u>536,037</u>	<u>536,037</u>	<u>531,470</u>	<u>(4,567)</u>
<b>Expenditures</b>				
General government	110,000	110,000	59,569	50,431
<b>Total expenditures</b>	<u>110,000</u>	<u>110,000</u>	<u>59,569</u>	<u>50,431</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-	-	-
Transfer out	-	-	(414,840)	(414,840)
<b>Total</b>	<u>-</u>	<u>-</u>	<u>(414,840)</u>	<u>(414,840)</u>
<b>Net change in fund balance</b>	426,037	426,037	57,061	(368,976)
Fund balance, beginning	<u>319,092</u>	<u>319,092</u>	<u>319,092</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 745,129</u>	<u>\$ 745,129</u>	<u>\$ 376,153</u>	<u>\$ (368,976)</u>

*See Notes to Financial Statements.*

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1. REPORTING ENTITY**

The District is a political subdivision of the State of New Mexico duly created and existing pursuant to Tax Increment for Development Act (the "Act"), Sections 5-15-1 through 5-15-28 NMSA 1978, as amended, City of Albuquerque Council Ordinance Enactment No. O-2006-036, and City Ordinance Bill No. F/S O-06-44.

The purpose of the District, pursuant to the resolution of the City of Albuquerque (the "City") that formed the District, is to provide financing of the infrastructure improvements set forth in the Tax Increment Development Plan that was approved by the City and as required pursuant to the Act and the Master Development Agreement among the District, the City and Mesa del Sol, LLC. (the "developer").

The District follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The District is not a component of any other governmental entity and the District has no subordinate component units.

The District is governed by the District Board, consisting of five voting members and one ex officio, a nonvoting member. The District Board has control over and management supervision of all affairs of the District. The five voting members are composed of the City Councilor from District 6, President and Vice President of the City Council, City's Deputy Chief Administrative Officer, Secretary of Finance and Administration or his designee, and a representative from the developer (non-voting).

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's policies are described below.

**Basis of Presentation**

Government-Wide Statements

The Statement of Net Position and Statement of Activities present financial information about the reporting government as a whole. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. District activities generally are financed through special levy taxes.

The Statement of Activities presents a comparison between direct expenses and direct revenues for each function of the District governmental activities. Direct expenses are those that are specifically associated with and clearly identifiable to a particular function. Direct revenues include special levy taxes assessed.

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (continued)**

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category.
- b. Total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

Governmental Funds

The District reports the following major governmental funds:

- a. General Fund – is the District’s primary operating fund. It accounts for all the financial resources of the general government except those required to be accounted for in another fund.

Capital Project Fund:

- b. Project Fund – used to account for financial resources to be used for the construction of the improvement project.

Debt Service Funds:

- c. Bond Fund – used to account for the payment of principal and interest related to the bonds obligation.
- d. Reserve Fund – accounts for funds to be used in accordance with the bond indenture in situations whereby the bond fund does not have sufficient funds to pay for debt service payments.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred, regardless of when the related cash transaction takes place. On an accrual basis, revenue from the special levy tax is recognized in the fiscal year during which the taxes are earned.

The governmental fund statements are reported using the current resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Amount collected after the sixty-day period is recognized as deferred inflows of resources.

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on the bond obligations, which are recognized as expenditures when paid. Proceeds from the issuance of bond obligations are reported as other financing sources.

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

**Cash Equivalents**

The District considers all highly liquid debt instruments with original maturity of three months or less when purchased to be cash equivalents.

**Receivables**

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At June 30, 2016, an allowance for uncollectible accounts was not considered necessary as all accounts are considered collectible.

**Capital Assets**

As capital assets are constructed, the ownership will be transferred to the City. As a result, the District does not capitalize any capital assets on its financial statements.

**Long-Term Obligations**

In the government-wide financial statements, long-term debts are reported as liabilities. Long-term obligations of the governmental funds payable from the general revenues of the District are reported in the government-wide financial statements. Payments of principal and interest are reported as expenditures in the fund financial statements.

Bond discount is deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond discount.

In the governmental fund financial statements, bond discounts are recognized during the current period. The face amount of debt issued and any premiums received are reported as other financing sources while discounts are reported as other financing uses.

**Special Levy**

The District imposes a Special Levy, which secures the payment of the debt service on the District's Revenue Bonds Obligation.

The Special Levy is to be billed and collected by Bernalillo County in the same manner and at the same time as general ad valorem property taxes. Assessments are made as of January 1 of each year, with one-half of the taxes on that assessment due the following November 10 and one-half due April 10 of the next calendar year. The Special Levy installment due November 10 becomes delinquent on December 11, while the April 10 installment becomes delinquent on May 11. The

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Special Levy shall be subject to foreclosure by the District at any time after six months following written notice of delinquency to the owner of the real property to which the delinquency applies. The lien shall include delinquencies, penalties and interest thereon at a rate not to exceed the maximum legal rate of interest per year and penalties otherwise applicable.

**Transfers**

Transfers in from (out to) other governmental funds are recorded as other financing sources (uses).

**Fund Balance**

As of June 30, 2016, the fund balances of the governmental funds are classified as follows:

Restricted – amounts to be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other government. The restricted fund balances at June 30, 2016 relate to debt service as imposed by creditors.

Unassigned – all other spendable amounts.

The District has no fund balances that are classified as nonspendable, committed, or assigned.

**Use of Estimates**

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

**Budgets**

The budget is adopted on a modified accrual basis of accounting. The legal compliance for the budget is total expenditures.

**NOTE 3. DEPOSITS**

The District is authorized under the provision of Chapter 6, Article 10, paragraph 10, NMSA 1978, annotated, to deposit its money in banks, savings and loan associations, and/or credit unions whose accounts are insured by an agency of the United States.

All money not immediately necessary for the public uses of the District may be invested in bonds or negotiable securities of the United States, the state or any county, municipality or town, securities that are issued by the United States government or by its agencies or instrumentalities or in contracts with banks, savings and loan associations, or credit unions for the present purchase and

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 3. DEPOSITS (CONTINUED)**

resale at a specified time in the future of specific securities. If the District is unable to receive payment on public money at the rate of interest set forth by the State Board of Finance from financial institutions within the geographic boundaries of the governmental unit, the District may invest its money as provided under Section 6-10-10.1 NMSA 1978 with the New Mexico State Treasurer's investment pool for a period greater than 181 days. The State Treasurer's investment pool shall be invested as provided for State funds under Section 60-10-10 NMSA 1978. The District has not formally adopted a deposit and investment policy that limits the government's allowable deposits or investments and addresses the specific types of risk to which the government is exposed.

Cash held by the District include cash on deposit with a financial institution. Deposits are secured by Federal depository insurance and U.S. Treasuries. Under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% (102% for overnight deposits) of the uninsured balance. Market values of all cash and deposits approximate the cost of those assets.

Cash equivalents represent investments in mutual funds, consisting of treasury bonds with maturities of less than 30 days.

Cash and cash equivalents (including restricted) at June 30, 2016 consist of the following:

Held in trust by Bank of Albuquerque in U.S. Treasury Fund	<u>\$ 834,898</u>
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**NOTE 4. INTEREST IN STATE TREASURER LOCAL GOVERNMENT INVESTMENT POOL**

The investments of the District consist of an interest in the New MexiGROW Local Government Investment Pool ("LGIP") managed by the New Mexico State Treasurer's Office ("STO"). The STO is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(O) and Sections 6-10-10(1)A and E NMSA 1978.

In general, state statutes require that all deposits held by STO be collateralized at a minimum level of 50%. Collateral pledged to secure these investments is monitored by the STO, and the STO issues separate financial statements that disclose the collateral pledged securities.

*Interest Rate Risk.* LGIP does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2016, the LGIP weighted average maturity was 55 days.

*Credit Risk.* The LGIP Pool is rated AAAM by Standard & Poor's.

For the additional GASB 40 disclosure information regarding funds held by the State Treasurer, the reader should refer to the separate audit report for the State Treasurer's Office as of and for the year ended June 30, 2016.

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 5. REVENUE BONDS**

On December 19, 2013, the District issued Revenue Bonds with a par value of \$5,435,000 for \$5,395,870, or a discount of \$39,130. The proceeds from issuance were primarily used in the construction of infrastructure project. The bonds are generally callable with interest payable semi-annually, every April 1 and October 1. The obligations are secured by the pledge of net revenues from District Special Levy.

The Indenture of Trust and Security Agreement (“Bond Indenture”) dated December 1, 2013 with Bank of Albuquerque (as Trustee) contains special mandatory and optional redemption. The special mandatory redemption, triggers when: (a) on or after the completion of the project, moneys are transferred from the Project Fund to the Prepayment Account of the Bond Fund, and (b) the prepayment in whole or in part of any Special Levy by the owner of the Property and the deposit of such prepayment amounts to the Prepayment Account of the Bond Fund. The optional redemption is available for principal maturing after October 1, 2023. No events occurred that triggered special mandatory redemption.

The Indenture also contains maintenance of Reserve Fund Requirements equal to the least of (i) the maximum annual debt service requirements on all outstanding bonds; (ii) 125% of the average annual debt service requirements of the bonds; or (iii) 10% of the aggregate principal amount of the Bonds. The District is in compliance with this requirement at June 30, 2016.

The Revenue Bonds bear annual interest ranging from 5.75% to 7.25%, with final maturity on October 1, 2043.

Annual debt service requirements to maturity for the revenue bonds are as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2017	\$ 40,000	377,175	417,175
2018	50,000	374,444	424,444
2019	55,000	371,353	426,353
2020	65,000	367,759	432,759
2021	75,000	363,591	438,591
2022 -2026	525,000	1,731,609	2,256,609
2027 - 2031	775,000	1,504,438	2,279,438
2032 - 2036	1,080,000	1,175,809	2,255,809
2037 - 2041	1,530,000	701,619	2,231,619
2042 - 2044	1,205,000	113,191	1,318,191
	<u>\$ 5,400,000</u>	<u>7,080,988</u>	<u>12,480,988</u>

Interest payments and principal payments of the revenue bonds are serviced by revenues generated from the Special Levy and are paid from the Bond Fund.

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 5. REVENUE BONDS (CONTINUED)**

The following are the changes for the revenue bonds:

	<u>July 1</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30</u>
Special Levy Revenue Bonds	\$ 5,435,000	-	(35,000)	5,400,000
Unamortized bond discount	(36,521)	-	1,304	(35,217)
	<u>\$ 5,398,479</u>	<u>-</u>	<u>(33,696)</u>	<u>5,364,783</u>

**NOTE 6. DEFICIT NET POSITION**

The total net position balance is in a deficit position. This is due to the fact that the capital assets acquired with bond proceeds were transferred to another governmental agency. This resulted in the recognition of long-term debt with no related asset on the District's financial statement. The long-term debt will be repaid with future special levy taxes.

**NOTE 7. INTERFUND TRANSFERS**

For the year ended June 30, 2016, the District transfers were made to fund debt service payments and administrative expenses. The following transfers were made during the year:

<u>Transfer In</u>	<u>Transfer Out</u>		<u>Total</u>
	<u>General Fund</u>	<u>Reserve Fund</u>	
Bond Fund	\$ 414,840	\$ 64	\$ 414,904

**NOTE 8. INSURANCE COVERAGE**

The District is exposed to various risk of loss from torts; theft of, damage to, and destruction of assets; business interruption; and errors and omission; and natural disasters. The District is not insured through private carriers for liability, casualty, and director and office liability.

**NOTE 9. SUBORDINATED PROMISSORY NOTE AND RESTATEMENT**

On December 19, 2013, the District issued \$1,000,000 subordinated promissory note to reimburse the Developer for certain infrastructure costs in accordance with the Reimbursement Agreement. The note is subordinated to the Bonds, payable solely from special levy revenues. The note bears annual interest of 8.35% and is due on October 1, 2043. Under the terms of the note, the District is only liable to the Developer for whatever funds remain after the bondholders' claims are satisfied. Based on the District's analysis, projected surplus by fiscal year 2043 will amount to approximately \$1 million. Hence, interest was not accrued at June 30, 2016.

The District did not record this subordinated promissory note in its general ledger. To correct this error, the beginning balance of net position for the entity wide financial statements has been decreased by \$1,000,000. There is no effect on the change in net position for the year ended June 30, 2015.



**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2016**

**NOTE 10. OTHER MATTER**

A default judgment was entered against Mesa del Sol, LLC on September 27, 2015 in favor of the lienholder (PNC) on approximately 2,792 acres of land known as Mesa del Sol, which includes approximately 160 acres which are included in the District. The property is currently held by the Court appointed Receiver (Land Advisors Organization) who is responsible for the management and sale of the property. Current special assessments are deposited directly to the trustee and will remain with the trustee to service the outstanding bonds.

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
 BUDGET TO ACTUAL SCHEDULE (PROJECT FUND)  
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Special levy	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Public works - construction		-		-
General government	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-		-
Transfer out	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	-	-	-	-
Fund balance, beginning	<u>910</u>	<u>910</u>	<u>910</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 910</u>	<u>\$ 910</u>	<u>\$ 910</u>	<u>\$ -</u>

*See Notes to Financial Statements.*

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1**  
**BUDGET TO ACTUAL SCHEDULE (BOND FUND)**  
**Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ -	\$ -	\$ 21	\$ 21
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
<b>Expenditures</b>				
Principal	35,000	35,000	35,000	-
Interest	379,906	379,906	379,906	-
<b>Total expenditures</b>	<u>414,906</u>	<u>414,906</u>	<u>414,906</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-	414,904	414,904
Transfer out	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>414,904</u>	<u>414,904</u>
<b>Net change in fund balance</b>	(414,906)	(414,906)	19	414,925
Fund balance, beginning	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ (414,905)</u>	<u>\$ (414,905)</u>	<u>\$ 20</u>	<u>\$ 414,925</u>

*See Notes to Financial Statements.*

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
 BUDGET TO ACTUAL SCHEDULE (RESERVE FUND)  
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ -	\$ -	\$ 462	\$ 462
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>462</u>	<u>462</u>
<b>Expenditures</b>				
General government	-	-	-	-
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfer in	-	-	-	-
Transfer out	-	-	(64)	(64)
<b>Total</b>	<u>-</u>	<u>-</u>	<u>(64)</u>	<u>(64)</u>
<b>Net change in fund balance</b>	-	-	398	398
Fund balance, beginning	<u>465,118</u>	<u>465,118</u>	<u>465,118</u>	<u>-</u>
<b>Fund balance, ending</b>	<u>\$ 465,118</u>	<u>\$ 465,118</u>	<u>\$ 465,516</u>	<u>\$ 398</u>

*See Notes to Financial Statements.*



**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Mesa del Sol Public Improvement District 1  
and  
Mr. Timothy Keller  
New Mexico State Auditor  
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the budgetary comparison of the general fund of Mesa del Sol Public Improvement District 1 (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the District's basic financial statements, and the related budgetary comparisons for the capital project fund and the major debt service funds, presented as supplementary information, and have issued our report thereon dated May 12, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Board of Directors  
Mesa del Sol Public Improvement District 1  
and  
Mr. Timothy Keller  
New Mexico State Auditor  
Santa Fe, New Mexico

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2016-002 that we consider to be a material weakness.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of finding and response as item 2016-001.

#### **District's Response to Findings**

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mess Adams LLP*

Albuquerque, New Mexico  
May 12, 2017

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2016**

**2016-001: Late Audit Report, Compliance and Other Matters**

CONDITION

The audit report for the year ending June 30, 2016 was not submitted by the deadline of December 15, 2016. These reports were submitted to the State Auditor's Office in May 2017. The District is expected to meet the deadline for the fiscal year 2017 audit.

CRITERIA

2.2.2 NMAC, Audit Rule 2016, specifies the deadline for submission of audit reports. Section 2.2.2.9 A (1)(g) stipulates that District reports are due no later than December 5. Further, Section 2.2.2.9 A (2) requires that submission of a late audit report shall be reported as current year audit finding in the audit report.

CAUSE

There were delays in getting the signed audit contract.

EFFECT

The District is not in compliance with Section 2.2.2.9 A (1)(g) of the NMAC, Audit Rule 2016.

RECOMMENDATION

Management should continue to work towards providing the timely completion of the audit report.

MANAGEMENT'S RESPONSE

The Board agrees with the recommendation and has instructed the Treasurer to work together with the external auditor and financial consultant to ensure that audits are submitted to the State's Auditor by the due date for the fiscal year 2017.



**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2016**

**2016-002: Unrecorded Note Payable, Material Weakness**

CONDITION

The District did not record in its general ledger a subordinated promissory note for \$1 million issued in December 2013. The note is for a reimbursement of infrastructure costs incurred by the Developer.

CRITERIA

In accordance with generally accepted accounting principles, all transactions including liabilities should be reflected in the financial statements.

CAUSE

The District concluded in the fiscal year ended June 30, 2014 that the subordinated promissory note was a contingent liability and did not need to be recorded and disclosed.

In 2016, the District's analysis determined there would be sufficient funds remaining from the Special Levy after the repayment of the Revenue Bonds and associated interest and ongoing district administrative costs to pay the subordinated promissory note. The District discussed with the auditor the proper presentation to record the liability in the current financial statements.

EFFECT

The District's beginning balance of net position is overstated by the unrecorded liability of \$1 million.

RECOMMENDATION

We recommend that the District ensure that all agreements and contracts are accounted for in the financial statements.

MANAGEMENT'S RESPONSE

The District will discuss with the district council and the outside auditors the accounting treatment for all future agreements and contracts. The Treasurer is assigned to clear this finding by fiscal year 2017.

**MESA DEL SOL PUBLIC IMPROVEMENT DISTRICT 1  
EXIT CONFERENCE  
YEAR ENDED JUNE 30, 2016**

An exit conference was held on May 9, 2017. Attending were the following:

Representing Mesa Del Sol Public Improvement District 1:

Brent Dupes, Treasurer

Representing Moss Adams LLP:

Jaime Rumbaoa, CPA/CITP, CFE, CISA, Senior Manager

The financial statements were prepared with the assistance of Moss Adams LLP.