

July 1, 2020

Henry Roybal, Board Chairman  
Regional Coalition of LANL Communities  
112 W. San Francisco St., Suite 312  
Santa Fe, New Mexico 87501

We are pleased to confirm our acceptance and understanding of the services we are to provide for the Regional Coalition of LANL Communities (RCLC) for the fiscal year ended June 30, 2021.

### **Our Responsibilities**

You have requested that we perform the following services:

- 1) You have requested that we provide you with the following bookkeeping services:
  - Provide bookkeeping and accounting services in an established accounting system to perform fund accounting and budgeting in accordance with applicable standards. The accounting system will allow for proper reporting of revenues and expenditures to the Board and grantor agencies and the Department of Finance and Administration to fulfill their reporting requirements. The financial statements will be maintained using a fiscal year from July 1 to June 30.
  - Reconcile checking accounts with bank statements each month in a timely manner.
  - Maintain vendor records and perform annual IRS required Form 1099 reporting on behalf of RCLC.
  - Perform the annual billing function on behalf of the RCLC to member entities and/or grantor agencies.
  - Record all income and expenses, deposits, and adjusting entries needed each month.
  - Maintain records of all receipts deposited into RCLC accounts, and records of disbursements accounted for to provide all reporting of detailed transactions related to the activity of the RCLC. This information will be maintained in the form of a General Ledger and will be provided to the RCLC each month as additional supplementary information that will accompany the monthly financial statements.
  - Assist the RCLC with the annual applicable Tier System (AUP)/financial and compliance audit engagement by providing the independent accountant with the relevant financial information for completion.

Our bookkeeping services will cover the fiscal year ended June 30, 2021.

- 2) We will prepare the financial statements of RCLC, which comprise the annual and monthly statement of financial position and the related statement of activities, for the period then ended.

The objective of our engagement is to apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the bookkeeping services, preparing the financial statements, and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Coalition or noncompliance with laws and regulations.

### **Your Responsibilities**

Management has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARS:

- a) The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
- b) 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.
- c) The prevention and detection of fraud.
- d) To ensure that the entity complies with the laws and regulations applicable to its activities.
- e) The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- f) To provide us with—
  - Access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - Additional information that may be requested for the purpose of the compilation of the financial statements, and
  - Unrestricted access to persons within RCLC with whom we determine it necessary to make inquiries.

### **Our Report**

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

Our report will disclose that the Coalition's management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were to be included in the financial statements, they might influence the user's conclusions about the Coalition's financial position and results of operations. Accordingly, the financial statements will not be designed for those who are not informed about such matters.

We are not independent with respect to the RCLC and we will disclose that we are not independent in our compilation report.

If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

You agree to include our accountant's compilation report in any document containing financial statements that indicates that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to ask our permission to do so.

### **Other Relevant Information**

Richard Sandoval is responsible for supervising the engagement.

We estimate that our monthly fee for providing the services for the 2021 fiscal year will be between \$300-\$400 per month plus applicable gross receipts tax (currently 8.4375%). The fee will increase slightly in the month the RCLC is having its annual AUP/Audit conducted since we will be assisting the auditor with completion of the audit documentation for their engagement. If the RCLC obtains any grants during the fiscal year that require additional reporting, we will provide a new monthly estimate before we incur any additional costs.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

You agree to hold us harmless and to release, indemnify, and defend us from any liability or costs, including attorney's fees, resulting from management's knowing misrepresentations to us.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign and return to us.

Sincerely,

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Richard Sandoval, Engagement Partner

**Acknowledged:**  
**Regional Coalition of LANL Communities**

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Henry Roybal, Board Chairman

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Date