

**Timothy M. Keller**  
State Auditor



**Sanjay Bhakta, CPA, CGFM, CFE, CGMA**  
Deputy State Auditor

**State of New Mexico**  
**OFFICE OF THE STATE AUDITOR**

**VIA EMAIL AND U.S. MAIL**

March 28, 2016

Mr. Tim Armer  
Executive Director  
North Central NM Economic Development District  
P.O. Box 5115  
Santa Fe, NM 87502

**Re: Special Audit Designation of North Central New Mexico Economic Development District**

Dear Mr. Armer:

The Office of the State Auditor (OSA) is charged with the constitutional and statutory duty to examine the financial affairs of governmental agencies within New Mexico that receive public money. This letter is to notify you that the OSA has designated the North Central New Mexico Economic Development District ("NCNMEDD") for a special audit in order to evaluate financial transactions involving the REDI Middle-Mile Broadband Network ("REDI Net").

Pursuant to Section 12-6-3(C) NMSA 1978 ("Audit Act"), in addition to an agency's annual financial audit, the State Auditor "may cause the financial affairs and transactions of an agency to be audited in whole or in part." Additionally, in accordance with the Section 2.2.2.15 NMAC ("Audit Rule"), the State Auditor may initiate a special audit regarding the financial affairs and transactions of an agency or local public body based on information it receives.

The OSA is authorized to either directly perform the special audit or require the audit to be performed by an Independent Public Accountant ("IPA") approved by the State Auditor. The special audit will be performed by an IPA approved by the State Auditor. Please be advised that NCNMEDD is required to bear the cost of the engagement pursuant to Section 12-6-4 NMSA 1978.

In order to conduct the review, the IPA must have unrestricted access to all documents pertaining to the issues outlined above as well as access to NCNMEDD staff that may have knowledge and information about REDI Net. We appreciate your cooperation and will be contacting the NCNMEDD to discuss next steps.

**2540 Camino Edward Ortiz, Suite A, Santa Fe, New Mexico 87507**  
**Phone (505) 476-3800 \* Fax (505) 827-3512**  
**www.osanm.org \* 1-866-OSA-FRAUD**

Letter to NCNMEDD

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Please do not hesitate to contact Deputy State Auditor Sanjay Bhakta, CPA, CGFM, CFE, CGMA at (505) 476-3800 if you have any questions regarding this matter.

Respectfully,

A handwritten signature in cursive script that reads "Timothy M. Keller". The signature is written in black ink and includes a long horizontal flourish at the end.

Timothy M. Keller  
State Auditor

cc: NCNMEDD Board of Directors, Officers  
REDI Net Board of Directors