

MEMORANDUM

To: SFSWMA Joint Powers Board
From: Randall Kippenbrock, P.E., Executive Director *RLK*
Date: March 17, 2025
Subject: Request for Approval of Audited Financial Statements and Supplementary Information for the Year Ended June 30, 2024

BACKGROUND AND SUMMARY

Carr, Riggs & Ingram, LLC (CRI) audited the Santa Fe Solid Waste Management Agency (Agency) financial statements for the year ended June 30, 2024 (FY 24).

The Agency provided CRI with the Management’s Discussion and Analysis and most of the information in the audit report's financial statements. The Agency’s fiscal agent, the City of Santa Fe, provided additional financial information, such as payroll and cash.

An exit conference was held on December 12, 2024, to review the financial statements and supplemental information (audit report). In attendance were:

Carr, Riggs & Ingram (CRI)
Eric Spurlin, CPA, Partner
David Navarro, Senior Accountant

Agency
Councilor Michael Garcia, Chairperson
Commissioner Camilla Bustamante
Commissioner Justin Greene
Randall Kippenbrock, P.E., Executive Director
Thomasina Chavez, Accountant

The State Auditor requires an independent public accountant to present the audit report to the Agency’s Board as per Section 2.2.2.10.J(4) NMAC, Requirements for Contracting and Conducting Audits of Agencies.

In summary, CRI reported the following:

- Type of auditor’s report issued – unmodified
 - No material weaknesses identified.
 - No significant deficiencies not considered material weaknesses identified.
 - No noncompliance material to the financial statements noted.

- Financial statement findings for the current year (FY 24) – None.

- One audit finding for the prior year (FY 23) –
 - Late submission of the June 30, 2023 audit report (resolved).
- Actual operating revenues were \$180,832 more than budgeted due to Year 3 of Fee Ordinance 2021-1, effective October 1, 2021 and landfill tonnage that increased by 3,618 tons over the prior year, a 2.06% increase.
- Total budgeted operating expenditures increased from \$9,704,785 to \$12,593,883 as a result of budget increases to the following:
 - Contractual services for compliance, professional services, and on-call engineering services,
 - Major repairs and maintenance on heavy equipment,
 - Procurement of heavy equipment, heavy-duty trucks with near-zero CNG technology and miscellaneous equipment, and
 - Insurance.
- The six largest commercial accounts in descending order are:
 - City of Santa Fe (42%)
 - Capital Scrap Metal (7%)
 - Waste Management (6%)
 - MCT Waste (5%)
 - Santa Fe County (4%)
 - Santa Fe Waste Service (3%)
 - All Others (33%)
- The closure and post-closure care cost information for the Landfill and BuRRT are as follows:
 - The closure and post-closure care fund balance is \$8,775,538.
 - The total cost estimate for the Landfill is \$10,807,807, an increase of \$421,411 from the prior year.
 - The total cost estimate for BuRRT is \$231,374, an increase of \$9,153 from the prior year.
 - The percentage of landfill airspace consumed in cubic yards is 38.61%, as opposed to 37.05% for the prior year.
 - The remaining landfill airspace is 13.4 million cubic yards.
- Items expected to have a significant effect during the fiscal year ending June 30, 2025 (FY 25), are as follows:
 - Implement Schedule Year 4: Fees, Rates and Charges at the landfill and BuRRT on July 1, 2024.
 - Negotiate a new lease agreement for BuRRT with the City of Santa Fe.
 - Develop a landfill disposal plan that maximizes airspace and outlines an area for future basalt rock blasting.
 - Conduct a technical and economic evaluation of accepting out-of-county waste from Rio Arriba County and the City of Española.
 - Procure a landfill compactor for the Landfill.

ACTION REQUESTED

The Agency recommends the Board approve the audited financial statements and supplementary information for the year ended June 30, 2024.

Attachment: Financial Statements and Supplementary Information Financial Report for the Year Ended June 30, 2024

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ATTACHMENT

**Financial Statements and
Supplementary Information Financial Report
Year Ended June 30, 2024**



**State of New Mexico
Santa Fe Solid Waste Management Agency**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

For the Year Ended June 30, 2024

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INTRODUCTORY SECTION



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State of New Mexico
Santa Fe Solid Waste Management Agency
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**State of New Mexico
Santa Fe Solid Waste Management Agency
Official Roster
June 30, 2024**

<u>Name</u>	<u>Board of Directors</u>	<u>Title</u>
Michael Garcia		Councilor
Amanda Chavez		Councilor
Lee Garcia		Councilor
Anna Hansen		Commissioner
Camilla Bustamante		Commissioner
Justine S. Greene		Commissioner
Hank Hughes		Commissioner
	<u>Administrative Officials</u>	
Randall Kippenbrock, PE		Executive Director
Thomasina Chavez		Accountant



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor
The Board of Directors of
Santa Fe Solid Waste Management Agency
Santa Fe, New Mexico

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Santa Fe Solid Waste Management Agency ("SWMA"), a component unit of the City of Santa Fe, New Mexico, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise SWMA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SWMA as of June 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SWMA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SWMA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 SWMA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SWMA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the GASB required pension, and the other post-employment benefit schedules on pages 12-20 and 58-66 be presented to supplement the basic financial statements.

Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise SWMA's basic financial statements. The accompanying schedule of revenues, expense, and changes in net position budget (gaap budgetary basis) and actual ("supplementary information") is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

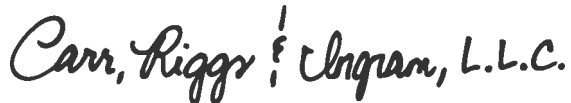
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and other disclosures, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of SWMA’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of SWMA’s 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 SWMA’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." The signature is written in a cursive style with a vertical line separating "Riggs" and "Ingram".

Carr, Riggs & Ingram, LLC
Albuquerque, New Mexico
December 16, 2024

State of New Mexico
Santa Fe Solid Waste Management Agency
Management’s Discussion and Analysis

The Santa Fe Solid Waste Management Agency (“SWMA”) was established in February 1995 under a Joint Powers Agreement (the “Agreement”) entered into by and between the City of Santa Fe (the “City”) and County of Santa Fe (the “County”). The Agreement delegated to SWMA the power to plan for, operate, construct, maintain, repair, replace, or expand a joint regional solid waste disposal facility now known as the Caja del Rio Landfill. The City and County desired to form a regional landfill to provide a more efficient and cost-effective method of solid waste disposal to City and County citizens. Operations of the landfill commenced on May 12, 1997. Prior to this date, SWMA was in a development state; therefore, development expenses incurred before May 12, 1997, were capitalized and amortized.

On January 1, 2006, SWMA leased the former City transfer station and renamed it Buckman Road Recycling and Transfer Station (BuRRT) to provide critical recycling processing services to the City, County, and communities across northern New Mexico. On October 1, 2016, SWMA and the City renewed the BuRRT lease for eight years with options of two additional six-year terms.

SWMA received 20-year solid waste permit renewals from the New Mexico Environment Department for the Caja del Rio Landfill and BuRRT on November 25, 2015, and June 12, 2017, respectively.

SWMA operates as a separate government agency, with the City of Santa Fe acting as fiscal agent.

The financial statements of SWMA have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) applicable to governmental units. SWMA is responsible for the fair presentation of the financial statements of net position and the related statements of revenues, expenses, and changes in net positions, cash flows, and schedule of revenues, expenses, and changes in net position, budget, and actual (non-U.S. GAAP basis) in conformity with U.S. GAAP. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. This Management Discussion and Analysis provides readers of SWMA’s financial statements a narrative overview and analysis of the financial activities of SWMA for the fiscal year ended June 30, 2024.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to SWMA’s basic financial statements. SWMA’s financial statements are comprised of financial statements, notes to the financial statements, and other information. The notes to the financial statements provide additional information essential to a complete understanding of the data provided in the financial statements.

State of New Mexico
Santa Fe Solid Waste Management Agency
Management's Discussion and Analysis

Overview of the Financial Statements (Continued)

SWMA operates under the accrual basis of accounting, required for state and local governments' enterprise operations. SWMA operates as a single fund and utilizes three cost centers: operations, cell construction, and recycling. SWMA, under GASBS No. 34, will continue to track all new infrastructure (e.g., cell construction) and capital asset costs separately so they can be recorded and depreciated according to state financial requirements for state and local governments. SWMA will continue to comply with GASBS No. 18 for the landfill for liability purposes by recognizing the percentage of the landfill consumed in a reporting period using the estimated costs for closure and post-closure care.

SWMA adopts an annual appropriated budget at the fund level. A budgetary comparison schedule has been provided for all its funds to demonstrate compliance with this budget. This budget is prepared on a comprehensive accounting basis other than the accrual basis required by U.S. GAAP.

Proprietary Fund

SWMA operates as a proprietary fund or enterprise fund for solid waste disposal and materials recovery (recycling), with all operating costs recovered by solid waste users (tipping) fees and income from the sale of recyclable materials. Enterprise funds are used for activities that are financed and operated in a manner similar to a private business enterprise. The intent of the Joint Powers Board is to ensure that the costs (expenses, including depreciation) of providing solid waste disposal and recycling materials recovery services to City and County residents on a continuing basis be financed or recovered primarily through solid waste user fees and income from the sale of recyclable materials. Revenues are recognized when they are earned and expenses are recorded at the time liabilities are incurred.

Proprietary financial statements are designed to provide readers with a broad overview of SWMA's finances, similar to a private-sector business.

Statement of Net Position

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

Property and equipment are depreciated using the straight-line method over their estimated useful lives.

State of New Mexico
Santa Fe Solid Waste Management Agency
Management's Discussion and Analysis

Statement of Net Position (Continued)

Capitalized landfill costs include expenditures for land and permitting and the costs of landfill start-up, construction, and cell development.

The following table provides condensed financial information on SWMA's net position on June 30, 2024, as compared to June 30, 2023

Assets and deferred outflows of resources	2024	2023
Assets		
Current assets	\$ 18,603,890	\$ 14,804,154
Capital assets, net	11,884,801	12,026,388
Other assets	4,480,744	4,185,811
Total Assets	34,969,435	31,016,353
Deferred outflows of resources		
Deferred outflows related to pension	877,843	595,379
Deferred outflows related OPEB	1,089,003	1,467,582
Total deferred outflows of resources	1,966,846	2,062,961
Total assets and deferred outflows of resources	\$ 36,936,281	\$ 33,079,314
Liabilities		
Current liabilities	\$ 818,826	\$ 658,329
Noncurrent liabilities	9,182,917	8,750,052
Total liabilities	10,001,743	9,408,381
Deferred inflows of resources		
Deferred inflows related to pension	292,671	134,171
Deferred inflows related to OPEB	777,116	788,597
Total deferred inflows of resources	1,069,787	922,768
Net Position		
Net investment in capital assets	11,884,801	12,026,388
Unrestricted	13,979,950	10,721,777
Total net position	25,864,751	22,748,165
Total Liabilities, deferred inflows, and net position	\$ 36,936,281	\$ 33,079,314

State of New Mexico
Santa Fe Solid Waste Management Agency
Management's Discussion and Analysis

Statement of Net Position (Continued)

SWMA's assets and deferred outflows exceeded its liabilities and deferred inflows as of June 30, 2024, the most recent fiscal year end, by \$25,864,751 (net position). Of this amount, \$11,884,801 is classified as net investment in capital assets and \$13,979,950 as unrestricted.

In comparison, SWMA's assets exceeded its liabilities and deferred inflows by \$22,748,165 (net position) as of June 30, 2023. Of this amount, \$12,026,388 is classified as net investment in capital assets and \$10,721,777 as unrestricted.

Budgets

Total budgeted operating expenditures increased from the original amount of \$9,704,785 to \$12,593,883 in FY24. There were increases in contractual services, supplies, repairs and maintenance, insurance and capital outlay budgets. The contractual and capital outlay budget increases were of most significance. The contractual services budget increase of \$467,271 was due to additional compliance, professional services, on-call engineering contracts, and material analysis for compliance reporting for the BuRRT Transfer Station.

The \$375,960 increase in the repairs and maintenance budget was for major repairs on the Caja Del Rio Landfill and the BuRRT Transfer Station heavy equipment machine. The insurance budget also increased slightly due to new risk rate calculations from the City of Santa Fe.

The capital outlay budget was increased by \$1,981,021. Most of this increase (\$1.2M) was the re-budgeting of assets ordered in fiscal year 2023 and delivered and paid for in fiscal year 2024 due to supply chain issues. In fiscal year 2023, SWMA received a grant from the New Mexico Volkswagen Mitigation Trust and New Mexico Beneficiary Mitigation Plan to replace three heavy-duty trucks at BuRRT with near-zero CNG technology for \$953,847; these assets materialized in fiscal year 2024.

In addition, SWMA increased its equipment and machinery and data processing budgets. SWMA purchased the following: 2024 Peterbilt 567 roll-off truck, Volvo L-110 loader, Tarpomatic machine, air compressors, and generators. Lastly, the HVAC for the recycling sort room at the BuRRT Transfer station was replaced as well as the cameras at both the Caja Landfill and BuRRT Transfer Station.

Total revenues reflect a favorable amount of \$180,832. This amount was partly due to the implementation of Year 3 of the Fee Ordinance 2021-1, which became effective October 1, 2021. In addition, The core Landfill tipping fees increased slightly by 5% and Landfill tonnages increased by 3,618 tons over the prior year, a 2.06% increase.

State of New Mexico
Santa Fe Solid Waste Management Agency
Management's Discussion and Analysis

Capital Assets and Long-Term Debt Activity

SWMA's cumulative investment in capital assets as of June 30, 2024, is \$11,884,801 (net of accumulated depreciation). The investment in capital assets includes construction in progress, landfill, landfill development costs, land improvements, cells, buildings and systems, equipment and machinery, vehicles, data processing equipment, and software. Also included is the investment in intangible assets for the cost of obtaining 20-year operating permits for the Caja Del Rio Landfill and the Buckman Recycling and Transfer Station (BuRRT).

SWMA's total capital assets (net) for the current fiscal year decreased by \$141,587 from the prior year. Although SWMA purchased additional capital assets in the amount of \$1,925,998, the amount was offset by the annual depreciation and amortization of approximately \$2,067,585.

During fiscal year 2024, the following transpired for SWMA regarding capital assets: (1) an additional \$105,718 construction in progress was recorded for a Low Profile Tri Axle Truck Scale at the BuRRT Transfer Station that is to be completed in Fiscal Year 2025; (2) building and structures decreased by a reclass of an asset in the amount of \$49,648 to equipment and machinery; (3) equipment and machinery increased by \$532,763 worth of assets and was offset by a reclass of an asset in the amount of \$168,061 to vehicles. The following equipment and machinery were added: Volvo L-110 loader, Tarpomatic machine, air compressors, generators and the HVAC replacement for the recycling sort room at the BuRRT Transfer Station; (4) vehicles increased by \$1,406,285 for three near-zero CNG heavy duty trucks provided the Volkswagen Grant and a 2024 Peterbilt 567 roll-off truck; (5) data processing equipment and software increased by \$49,239 for the camera replacement at both Caja Landfill and BuRRT Transfer Station.

The chart below summarizes the capital and intangible assets as of June 30, 2024 and 2023. SWMA has no outstanding debt related to capital assets or otherwise.

State of New Mexico
Santa Fe Solid Waste Management Agency
Management's Discussion and Analysis

	2024	2023
Capital assets		
Construction in process	\$ 977,222	\$ 871,504
Landfill	3,014,075	3,014,075
Landfill development costs	6,281,341	6,281,341
Landfill improvements	1,744,645	1,744,645
Cells	22,030,279	22,030,279
Buildings and structures	4,103,761	4,153,409
Equipment and machinery	18,233,566	17,819,216
Vehicles	3,308,443	1,902,158
Data processing equipment and software	126,586	77,293
Total capital assets	59,819,918	57,893,920
Intangible assets		
Solid waste and BuRRT permits	932,716	932,716
Total intangible assets	932,716	932,716
Accumulated depreciation	(48,476,254)	(46,455,305)
Accumulated amortization	(391,579)	(344,943)
Total capital assets (net)	\$ 11,884,801	\$ 12,026,388

State of New Mexico
Santa Fe Solid Waste Management Agency
Management's Discussion and Analysis

Cash and Investments

On June 30, 2024, SWMA internally undesignated, internally designated, and restricted cash and investments for the following purposes:

<u>June 30,</u>	<u>2024</u>	<u>2023</u>
Undesignated cash and investments		
Unrestricted Cash	\$ 8,752,481	\$ 7,678,169
Petty cash	5,230	5,230
<u>Total undesignated cash and investments</u>	<u>8,757,711</u>	<u>7,683,399</u>
Internally designated cash and investments		
Emergency cash reserves	816,354	786,259
Equipment replacement	1,116,524	264,763
Closure and post-closure	4,371,542	4,229,950
Cell development	441,718	225,433
Gas collection system	675,113	425,225
Construction	620,511	298,477
<u>Total internally designated cash and investment</u>	<u>8,041,762</u>	<u>6,230,107</u>
Restricted cash and investments		
Landfill deposits	76,748	115,465
Closure and post-closure	4,403,996	4,070,346
<u>Total restricted cash and investments</u>	<u>4,480,744</u>	<u>4,185,811</u>
<u>Total cash and investments</u>	<u>\$ 21,280,217</u>	<u>\$ 18,099,317</u>

As of June 30, 2024, the total cash held for closure and post-closure care of the landfill and BuRRT totaled \$8,775,538, which is further detailed above. A total of \$4,403,996 (\$4,172,622 for the landfill and \$231,374 for the BuRRT transfer station) is restricted cash per the requirements of GASBS No. 18.

State of New Mexico
Santa Fe Solid Waste Management Agency
Management’s Discussion and Analysis

Statement of Revenues, Expenses, and Changes in Net Position

The following table provides condensed financial information related to SWMA’s changes in net position for the year ended June 30, 2024, compared to the year ended June 30, 2023.

	2024	2023
Operating revenues	\$ 12,147,334	\$ 11,546,002
Operating expenses	(10,810,619)	(10,271,058)
Operating income	1,336,715	1,274,944
Nonoperating revenues	833,444	250,491
Grant revenue	946,427	-
Change in net position	3,116,586	1,525,435
Net position - beginning of year	22,748,165	21,222,730
Net position - end of year	\$ 25,864,751	\$ 22,748,165

Operating revenues consist primarily of tipping fees from solid waste users of the Landfill and BuRRT transfer station and revenue from the sale of recyclables. Additional sources of revenue consist of royalty payments from the sale of basalt aggregates, the sale of glass, and the reimbursements of effluent water. Overall, the operating revenues increased from the prior year by \$601,332.

Revenues from tipping (user) fees increased from the prior year by \$639,507, primarily due to the rate increase. Fees collected from the City increased by \$82,496, and \$12,328 from the County. Other income increased slightly by \$2,315.

Revenues from scrap metal recycling decreased by \$13,866 compared to the prior year, and revenues from other sales decreased by \$26,624. This revenue is derived from royalty payments received from the contractor, Del Hur Industries, for the sale of basalt aggregates. Del Hur made payments for 26,298 tons of basalt aggregates in the prior year compared to 39,236 tons in FY23.

**State of New Mexico
Santa Fe Solid Waste Management Agency
Management’s Discussion and Analysis**

Statement of Revenues, Expenses, and Changes in Net Position (Continued)

The six largest commercial accounts in order are:

	Revenue Received	Percent
City of Santa Fe	\$ 5,117,397	42%
Capital Scrap Metal Inc.	794,541	7%
Waste Management	730,038	6%
MCT Waste, LLC	551,723	5%
Santa Fe County	523,422	4%
Santa Fe Waste Service	354,063	3%
Others	4,076,150	33%
Total	\$ 12,147,334	100%

Revenues received include sales of recyclables and other incomes.

Operating expenses increased by \$539,561 from the prior year. Several categories saw increases. The largest increases were in personnel (\$277,624), repair and maintenance (\$291,894), and insurance (\$84,509), while supplies decreased by \$112,273.

Although SWMA had some unfilled positions, the increase in personnel costs was due to a combination of a COLA and merit increases given to employees and the reporting of OPEB expenses. The increase in repair and maintenance was due to the large number of equipment needing for repairs at the CAJA Landfill and BuRRT Transfer Station. The insurance was increased due to the City of Santa Fe’s calculation of the Risk insurance. The decrease in supplies from the prior year was attributed to diesel and tires.

In fiscal year 2024, SWMA’s non-operating revenue increased by \$582,983 as a result of investment income increasing from prior year. The increase in investment income was due to overall better market conditions and the City of Santa Fe’s allocations of investments related to the available cash of the City of Santa Fe and its component units.

State of New Mexico
Santa Fe Solid Waste Management Agency
Management's Discussion and Analysis

Items Expected to Have a Significant Effect for Fiscal Year 2025

During Fiscal Year 2025, SWMA expects to implement Schedule Year 4: Fees, Rates, and Charges at the Landfill and BuRRT transfer station on July 1, 2025.

SWMA expects to negotiate a new lease agreement for BuRRT with the City of Santa Fe.

SWMA expects to procure a landfill compactor for the Landfill.

SWMA expects to develop a landfill disposal plan that maximizes airspace and outlines an area for future basalt rock blasting.

SWMA expects to conduct a technical and economic evaluation of accepting out-of-county waste from Rio Arriba County and the City of Espanola at the Landfill.

Request for Information

This financial report is designed to provide a general overview of Solid Waste Management Agency's finances for those interested in government enterprise finances. Questions concerning any of the information provided or request for additional financial information should be addressed to:

Santa Fe Solid Waste Management Agency
149 Wildlife Way
Santa Fe, New Mexico 87506

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BASIC FINANCIAL STATEMENTS



State of New Mexico
Santa Fe Solid Waste Management Agency
Statement of Net Position

June 30, 2024	Business-Type Activity
Assets	
Current assets	
Cash and cash equivalents	\$ 16,799,473
Accounts receivable	838,828
Intergovernmental receivables	946,427
Interest receivable	19,162
Total current assets	18,603,890
Noncurrent assets	
Restricted cash and cash equivalents	
Landfill transfer station closure and postclosure care costs	4,403,996
Landfill deposits	76,748
Capital assets, not being depreciated	977,222
Capital assets, being depreciated, net	10,366,442
Intangible assets, being amortized, net	541,137
Total noncurrent assets	16,365,545
Total assets	34,969,435
Deferred outflows of resources	
Deferred outflows - pension	877,843
Deferred outflows - OPEB	1,089,003
Total deferred outflows of resources	1,966,846
Total assets and deferred outflows of resources	\$ 36,936,281

The accompanying notes are an integral part of these financial statements.

June 30, 2024	Business-Type Activity
Liabilities	
Current liabilities	
Accounts payable	\$ 538,633
Gross receipts and state tax payable	56,473
Accrued payroll	85,534
Compensated absences - current	138,186
Total current liabilities	818,826
Noncurrent liabilities	
Landfill deposits	76,748
Compensated absences - noncurrent	414,560
Net pension liability	3,717,661
Net OPEB liability	569,952
Estimated liability for landfill transfer station closure and post-closure care costs	4,403,996
Total noncurrent liabilities	9,182,917
Total liabilities	10,001,743
Deferred inflows of resources	
Deferred inflows - pension	292,671
Deferred inflows - OPEB	777,116
Total deferred inflows of resources	1,069,787
Net position	
Net investment in capital assets	11,884,801
Unrestricted	13,979,950
Total net position	25,864,751
Total liabilities, deferred inflows of resources, and net position	\$ 36,936,281

The accompanying notes are an integral part of these financial statements.

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State of New Mexico
Santa Fe Solid Waste Management Agency
Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2024	Business-Type Activity
Operating revenues	
User fees	\$ 11,961,152
Recycle sales	107,009
Other sales	39,452
Other income	39,721
Total operating revenues	12,147,334
Operating expenses	
Personnel services	3,736,432
Contractual services	1,876,457
Supplies	602,693
Repairs and maintenance	858,256
Rental expenses	272,658
Utilities	95,831
Insurance	204,059
Office expenses	128,498
Travel and training	27,105
Gross receipts taxes	569,968
Reimbursable share of sales	19,723
Capital outlay - exempt	17,704
Additions to landfill liability	333,650
Depreciation and amortization expense	2,067,585
Total operating expenses	10,810,619
Operating income	1,336,715
Non-operating revenues	
Investment income	793,760
Unrealized gains/(losses)	39,684
Total non-operating revenues	833,444
Income (loss) before capital contributions and transfers	2,170,159
Captial contributions	
Grant revenue	946,427
Change in net position	3,116,586
Net position - beginning of year	22,748,165
Net position - end of year	\$ 25,864,751

The accompanying notes are an integral part of these financial statements.

**State of New Mexico
Santa Fe Solid Waste Management Agency
Statement of Cash Flows**

For the Year Ended June 30, 2024	Business-Type Activity
Cash flows from operating activities	
Cash received from customers	\$ 12,150,123
Cash received from grants	
Cash paid to suppliers for goods and services	(4,379,847)
Cash paid to employees for services	(3,487,974)
Net cash provided by operating activities	4,282,302
Cash flows from capital and financing activities	
Acquisition and construction of capital assets	(1,925,998)
Net cash (used in) capital and financing activities	(1,925,998)
Cash flows from investing activities	
Investment income	824,596
Net cash provided by investing activities	824,596
Net increase in cash and cash equivalents	3,180,900
Cash and cash equivalents - beginning of year	18,099,317
Cash and cash equivalents - end of year	\$ 21,280,217
Reported on the statement of net position as	
Cash and cash equivalents	\$ 16,799,473
Restricted cash and cash equivalents	
Landfill transfer station closure and postclosure care costs	4,403,996
Landfill deposits	76,748
Total cash and cash equivalents	\$ 21,280,217

The accompanying notes are an integral part of these financial statements.

For the Year Ended June 30, 2024	Business-Type Activity
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 1,336,715
Depreciation and amortization expense	2,067,585
Noncash pension	133,547
Noncash OPEB	77,651
Changes in assets and liabilities:	
Increase in accounts receivable	41,506
Decrease in accounts payable	269,495
Increase in gross receipts tax payable	(3,495)
Decrease in accrued payroll	24,423
Increase in landfill deposits	(38,717)
Increase in compensated absences	39,942
Increase in estimated liability for landfill transfer station and post-closure care costs	333,650
Net cash provided by operating activities	\$ 4,282,302

The accompanying notes are an integral part of these financial statements.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Santa Fe (the “City”) is a partner with Santa Fe County (the “County”) in a joint venture to provide municipal landfill services. The Santa Fe Solid Waste Management Agency (“SMWA”) was established in February 1995 under a joint powers agreement entered into by and between the City and the County. It was the desire of the parties to form a regional solid waste disposal authority to provide a more efficient and cost-effective method of solid waste disposal to City and County citizens. Operations of the regional landfill commenced on May 12, 1997. Prior to this date, SWMA was in a development stage and, therefore, landfill development expenses incurred before May 12, 1997, are capitalized and amortized. As required by U.S. generally accepted accounting principles (U.S. GAAP), the financial statements present SWMA and its component units, entities for which SWMA is considered to be financially accountable. There are no fiduciary funds or component units for the fiscal year ended June 30, 2024.

SWMA is governed by a joint powers board consisting of members from both the City and County. The board consists of the following:

Three members, each of whom shall be a City councilor from a different elective district within the City, shall be appointed by the City’s mayor with the approval of the City council, and each of which City members shall serve for such period as may be determined from time to time by the mayor with the approval of the City and Council.

Three members, each of whom shall be a County Commissioner, appointed and approved by the Board of County Commissioners, and each of which County members shall serve for such period as may be determined and approved from time to time by the Board of County Commissioners.

SWMA is responsible for the fair presentation in the financial statements of the statement of net position and the related statements of revenues, expenses, and changes in net position, and cash flows in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for established governmental accounting and financial reporting principles. The more significant accounting policies of SWMA are described below.

Budgetary information

The budgetary comparison schedule listed in the table of contents as supplementary information were prepared on a modified accrual basis of accounting as approved by SWMA’s board, which is another comprehensive basis of accounting other than U.S. GAAP. This basis is very similar to the accrual basis; depreciation expense has not been budgeted for, and neither has the increase in landfill liability.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Basis of Presentation

The accounts of SWMA are organized on the basis of a proprietary or enterprise fund. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. Enterprise funds are accounted for on the flow of economic resources, measurement focus, and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

Cash and Cash Equivalents

For purposes of the statement of cash flows, SWMA considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. Certain resources held for estimated future costs related to landfill transfer station closure and post-closure costs are classified as restricted assets in the statement of net position as further detailed in Note 11.

Cash and investments, including restricted cash and investments, are pooled into one common account maintained by the City, SWMA's fiscal agent, in order to maximize investment opportunities. A portion of these monies are in the form of short-term investments with original maturities of three months or less from the date of acquisition, which are considered to be cash equivalents.

Receivables and Payables

All trade and other receivables are shown net of allowances for uncollectable amounts, when applicable. Receivables are analyzed for their collectability based on the terms of and conditions of agreements, as well as current economic conditions and consideration of the creditors' ability to pay. In addition to those receivables specifically identified as uncollectable, a general allowance is established for receivables older than one year. As of June 30, 2024, no allowance for doubtful accounts was deemed necessary.

Capital Assets

Capital assets are recorded at cost. Property, plant, and equipment donated to the operations are recorded at their estimated acquisition value at the date of donation. SWMA's policy is to capitalize all assets with a cost of \$5,000 or greater per 12-6-10 NMSA 1978.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Landfill	100 years
Land development costs	20 years
Land improvements	10 years
Cells	2-5 years
Buildings and structures	30 years
Equipment and machinery	4-10 years
Vehicles	7-10 years
Data processing equipment	3 years
Software	3 years

Both the Solid Waste and BuRRT permits are considered intangible assets and are being amortized over a period of 20 years each.

Capitalized landfill costs include expenditures for land, permitting costs, and preparation costs. These expenses are categorized and landfill, landfill developments costs, and cells.

The landfill consists of the cost of the entire land area to be utilized for all future solid waste disposals. Landfill development costs include planning, site preparation, land improvements, and infrastructure expenditures for the current 20-year plan.

Preparation costs related specifically to cell development are amortized as the airspace of the related cell is consumed, generally over two to five years.

Restricted Assets

Certain assets of SWMA are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Landfill deposits – Deposited in non-interest-bearing accounts and refunded upon termination of service with SWMA and satisfaction of all obligations due.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Landfill transfer station closure and post closure – certain deposits are restricted for costs related to future landfill closure and post closure costs as described in Note 11.

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This is a separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. SWMA has two items that qualify for reporting in this category which arise due to accounting for net pension liability and OPEB liability. Accordingly, the items deferred outflows – pension and deferred outflows – OPEB are presented in the statement of net position. Refer to Notes 6 and 7 for more details regarding the future recognition of these amounts and SWMA’s pension and OPEB plans.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This is a separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. SWMA has two types of items considered to be deferred inflows of resources, each of which arise due to accounting for net pension liability and OPEB liability. Refer to Notes 6 and 7 for more details regarding the future recognition of these amounts and SWMA’s pension and OPEB plans.

Accrued Payroll

Accrued payroll consists primarily of accrued wages and benefits payable.

Gross Receipts and State Tax Payable

The financial statements include a balance of \$50,707 for gross receipts tax payable and a balance of \$5,766 for state taxes payable. Respectively, these amounts represent amounts received from customers for New Mexico Gross Receipts and State Taxes that have not been remitted to the New Mexico Taxation and Revenue Department. During 2024, SWMA collected \$569,968 from customers for New Mexico Gross Receipts Taxes.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Compensated Absences

It is SWMA's policy to permit employees to accumulate earned but unused vacation, compensatory hours, and sick pay benefits. Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and overtime. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of SWMA and its employees, is accrued as employees earn the right to the benefits. Sick leave may be sold back to SWMA by an employee at time of retirement for one-half the applicable hourly rate for that employee. Compensated absences are recorded as an expense and a liability of SWMA.

Long-term Obligations

The financial statements include an estimate of total current costs of landfill closure and post-closure care that are required to be incurred by federal, state, local laws, or regulations. A portion of the estimated total current cost of the landfill closure and post-closure care is recognized as an expense and liability in the period the landfill accepts waste. Estimated total current cost is recorded based on landfill usage (i.e. cubic yards, airspace) rather than on the passage of time.

Tipping Fees

SWMA has established a tipping fee schedule based on solid waste tonnage. Effective July 1, 2023 through June 30, 2024, the fee for solid waste ranges from \$50 - \$60 per ton at the Caja Del Rio Landfill and the Buckman Road Recycling and Transfer Station. The recycling fee is \$170 per ton. For green waste, the fee is \$50 per ton. The household hazardous waste fee is \$50 per ton. Fees for immediate burial or special handling range from \$90 to \$250 depending on the type of load.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the New Mexico Public Employees retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the New Mexico Retiree Health Care Authority (NMRHCA) and additions to/deductions from NMRHCA's fiduciary net position have been determined on the same basis as they are reported by NMRHCA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, NMRHCA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

The government-wide fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets. Reflects the portion of net position which is associated with capital assets less outstanding capital asset related debt. SWMA did not have debt related to capital assets during the year ended June 30, 2024.

Restricted Net Position. Net Position is reported as restricted when constraints placed on net position use are either (1) externally imposed by creditors, grantors, or donors, or (2) imposed by law through constitutional provisions or enabling legislation. SWMA reported no restricted net position as of June 30, 2024.

Unrestricted Net Position. Represents the excess of total assets and deferred outflows over total liabilities and deferred inflows and net position invested in capital assets at June 30, 2024. These are amounts not restricted for any purpose.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Policy on Use of Restricted and Unrestricted Resources

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

Revenues and Expenses

Operating revenue includes activities that have the characteristics of an exchange transaction, such as a) sales and services; and b) operating contracts and grants.

Revenues and expenses distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with SWMA's principal ongoing operations. The principal operating revenues of SWMA are charges to customers for user fees and sales. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions reported as nonoperating revenues and expenses. For Fiscal year 2024, SWMA received a grant from New Mexico Volkswagen Mitigation Trust and New Mexico Beneficiary Mitigation Plan.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in these financial statements include the provision for annual depreciation, the net pension liability and the other post-employment benefit liability, the current portion of compensated absences, and the estimated landfill liability for closure and post-closure costs.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 10, 2024, and determined there were no events that occurred that required disclosure.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Procurements

During the fiscal year ended June 30, 2024, The Entity adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. Earlier application is encouraged.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued and Implemented Accounting Procurements (Continued)

GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement aim to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement aim to improve reporting on capital assets by separately disclosing specific types of capital assets in financial statement notes. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

SWMA is evaluating the requirements of the above statements and the impact on reporting.

Note 2: DEPOSITS AND INVESTMENTS

SWMA does not have separate bank accounts. Cash and cash equivalents consist of \$21,280,217 which is held in bank accounts and short-term investments in the City's cash pool. The City invests its pooled cash into U.S. Government securities, repurchase agreements, municipal bonds, certificates of deposit, State Treasurer's investment pool, and U.S. Government security mutual funds. Please refer to the audited financial statements for the City of Santa Fe, New Mexico for the disclosure information regarding the custodial credit risk and other risks that may apply. That report may be obtained from the City by contacting the Finance Department Director at 200 Lincoln Avenue, P.O. Box 909, Santa Fe, New Mexico 87504-0909.

**State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements**

Note 2: DEPOSITS AND INVESTMENTS (Continued)

Unrestricted cash and cash equivalents	
Unrestricted cash	\$ 8,752,481
Petty cash	5,230
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Total undesignated cash and cash equivalents	8,757,711
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Internally designated cash and cash equivalents	
Emergency cash reserves	816,354
Equipment replacement	1,116,524
Closure and postclosure	4,371,542
Cell development	441,718
Gas collection system	675,113
Construction	620,511
<hr/>	
Total internally designated cash and cash equivalents	8,041,762
<hr/>	
Total unrestricted cash and cash equivalents	16,799,473
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Restricted cash and cash equivalents	
Landfill transfer station closure and postclosure care costs	4,403,996
Landfill deposits	76,748
<hr/>	
Total restricted cash and cash equivalents	4,480,744
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Total cash and cash equivalents	\$ 21,280,217
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State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 3: ACCOUNTS RECEIVABLE

Accounts receivable of \$1,785,255 represents billings for tipping fees to third-party users, sales of rock, sales of recyclables, and Intergovernmental receivables through June 30, 2024. Management considers all outstanding accounts receivable to be collectable. The following shows the balances due from the five largest customers and all other customers in total as of June 30, 2024.

Grant revenue	\$ 946,427
City of Santa Fe	414,603
Waste Management	136,385
Santa Fe Waste Services	65,654
Santa Fe County	47,789
MCT Waste, LLC	43,965
Others	130,432
	<hr/>
Accounts receivable	<u>\$ 1,785,255</u>

Note 4: CAPITAL ASSETS

A summary of changes in capital assets for fiscal year ending June 30, 2024 is as follows. Construction in progress is not subject to depreciation expense.

Depreciation expense for capital assets for the fiscal year ended June 30, 2024 was \$2,020,949. In addition, SWMA had \$46,636 in amortization expense for solid waste and BuRRRT permits as of June 30, 2024. Total depreciation and amortization for fiscal year 2024 was \$2,067,585.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 4: CAPITAL ASSETS (Continued)

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Capital assets not being depreciated					
Construction in process	\$ 871,504	\$ 105,718	\$ -	\$ -	\$ 977,222
Total capital assets not being depreciated	871,504	105,718	-	-	977,222
Capital assets being depreciated					
Landfill	3,014,075	-	-	-	3,014,075
Landfill development cost	6,281,341	-	-	-	6,281,341
Land improvements	1,744,645	-	-	-	1,744,645
Cells	22,030,279	-	-	-	22,030,279
Buildings and structures	4,153,409	-	-	(49,648)	4,103,761
Equipment and machinery	17,819,216	532,763	-	(118,413)	18,233,566
Vehicles	1,902,158	1,238,224	-	168,061	3,308,443
Data processing equipment and software	77,293	49,293	-	-	126,586
Total capital assets being depreciated	57,022,416	1,820,280	-	-	58,842,696
Accumulated depreciation					
Landfill	(753,519)	(30,141)	-	-	(783,660)
Landfill development cost	(6,281,341)	-	-	-	(6,281,341)
Land improvements	(814,433)	(138,105)	-	-	(952,538)
Cells	(20,806,342)	(638,121)	-	-	(21,444,463)
Buildings and structures	(1,797,774)	(143,519)	-	-	(1,941,293)
Equipment and machinery	(14,391,743)	(824,201)	-	-	(15,215,944)
Vehicles	(1,536,135)	(243,019)	-	-	(1,779,154)
Data processing equipment and software	(74,018)	(3,843)	-	-	(77,861)
Total accumulated depreciation	(46,455,305)	(2,020,949)	-	-	(48,476,254)
Total capital assets being depreciated	10,567,111	(200,669)	-	-	10,366,442
Total capital assets, net	\$ 11,438,615	\$ (94,951)	\$ -	\$ -	\$ 11,343,664
Intangible assets					
Solid waste and BuRRT permits	\$ 932,716	\$ -	\$ -	\$ -	\$ 932,716
Total intangible assets	932,716	-	-	-	932,716
Accumulated amortization					
Solid waste and BuRRT permits	(344,943)	(46,636)	-	-	(391,579)
Total accumulated amortization	(344,943)	(46,636)	-	-	(391,579)
Total intangible assets, net	\$ 587,773	\$ (46,636)	\$ -	\$ -	\$ 541,137

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 5: LONG-TERM LIABILITIES

During the year ended June 30, 2024, the following changes occurred in the liabilities reported in the statement of net position:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Landfill deposits	\$ 115,465	\$ -	\$ 38,717	\$ 76,748
Estimated liability for landfill closure costs	3,848,125	324,497	-	4,172,622
Estimated liability for transfer station closure costs	222,221	9,153	-	231,374
Compensated absences	512,804	318,109	278,167	552,746
Total	\$ 4,698,615	\$ 651,759	\$ 316,884	\$ 5,033,490

See Note 11 for details on the increase of the estimated liability for landfill closure costs.

The current portion of compensated absences was \$138,186 as of June 30, 2024.

Note 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

General Information about the Pension Plan

Plan Description

Public Employees Retirement Fund is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officers, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the Public Employees Retirement Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), each employee and elected official of every affiliated public employer is required to be a member in the Public Employees Retirement Fund, unless specifically excluded. PERA issues a publicly available annual comprehensive financial report that can be obtained at <https://www.nmpera.org/financial-overview/>.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

General Information about the Pension Plan (Continued)

Benefits provided. Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for TIER I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for postretirement survivors' annuities are also available.

TIER II. The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least five years of service credit and the sum of the member's age and service credit equals at least 85 or at age 65 with 5 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II, pension factors were reduced by 0.5%, employee Contribution increased 1.5 percent, and effective July 1, 2014 employer contributions were raised 0.05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

Contributions. See PERA's Annual Comprehensive Financial Report for contribution descriptions at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>. The PERA coverage option that applies to SWMA is: Municipal General Division. Statutorily required contributions to the pension plan from the SWMA were \$233,787 for the year ended June 30, 2024.

**State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements**

Note 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the SWMA reported a liability of \$3,717,661 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2023 using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date of June 30, 2023. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2023. SWMA’s proportion of the net pension liability was based on a projection of the SWMA’s long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, SWMA’s proportion was 0.17557%, which was an increase of 0.01948% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, SWMA recognized PERA Fund Municipal General Division pension expense of \$377,160. At June 30, 2024, SWMA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 349,548	\$ -
Difference between expected and actual experience	279,026	45,371
Changes in proportion	15,482	247,300
SWMA's contributions subsequent to the measurement date	233,787	-
Total	\$ 877,843	\$ 292,671

**State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements**

Note 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$233,787 reported as deferred outflows of resources related to pensions resulting in SWMA's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in SWMA's fiscal year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2024	\$ 79,345
2025	(47,805)
2026	284,574
2027	35,271
Thereafter	-
<div style="display: flex; justify-content: space-between;"> Total \$ 351,385 </div>	

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Period	25 Years
Actuarial Assumptions:	
Investment Rate of Return	7.25% Annual Rate
Projected Salary Increases	3.25 to 13.50%
Includes Inflation at	2.50%
Mortality Assumptions	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generational. For nonpublic safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2013 through June 30, 2017 (economic).

**State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements**

Note 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Actuarial Assumptions (Continued)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2023. These assumptions were adopted by the PERA Board for use in the June 30, 2022 actuarial valuation.

The long term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	38.00%	6.90%
Risk Reduction & Mitigation	17.00%	3.90%
Credit Oriented Fixed Income	19.00%	6.00%
Real Assets	18.00%	7.00%
Multi-Risk Allocation	8.00%	0.61%
Total	100.00%	

Discount Rate. A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2023. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements**

Note 6: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Actuarial Assumptions (Continued)

Sensitivity of SWMA’s proportionate share of the net pension liability to changes in the discount rate. The following table presents the SWMA’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the SWMA’s proportionate share of the net pension liability would be if it were calculated at discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point- higher (8.25 percent) than the current rate.

PERA Fund Municipal General Division Fund	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SWMA's proportionate share of the net pension liability	\$ 5,390,052	\$ 3,717,661	\$ 2,327,200

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERA financial reports. The report is available at <http://www.nmpera.org/for-employers/gasb-information>.

Payables to the pension plan. At June 30, 2024, there were no contributions due and payable to PERA for SWMA. Contractually required contributions are remitted to PERA monthly.

Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB

Plan Description. Employees of SWMA are provided with OPEB through the Retiree Health Care Fund (the Fund) – a cost-sharing multiple-employer defined benefit OPEB plan administered by the New Mexico Retiree Health Care Authority (NMRHCA). NMRHCA was formed February 13, 1990, under the New Mexico Retiree Health Care Act (the Act) of New Mexico Statutes Annotated, as amended (NMSA 1978), to administer the Fund under Section 10-7C-1-19 NMSA 1978. The Fund was created to provide comprehensive group health insurance coverage for individuals (and their spouses, dependents and surviving spouses) who have retired or will retire from public service in New Mexico.

NMRHCA is an independent agency of the State of New Mexico. The funds administered by NMRHCA are considered part of the State of New Mexico financial reporting entity and are OPEB trust funds of the State of New Mexico. NMRHCA’s financial information is included with the financial presentation of the State of New Mexico.

**State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements**

Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

General Information about the OPEB (Continued)

Benefits Provided. The Fund is a multiple employer cost sharing healthcare plan that provides eligible retirees (including terminated employees who have accumulated benefits but are not yet receiving them), their spouses, dependents, and surviving spouses and dependents with health insurance and prescription drug benefits consisting of a plan, or optional plans of benefits, that can be contributions to the Fund and by co-payments or out-of-pocket payments of eligible retirees.

Employees covered by benefit terms. At June 30, 2023, the Fund’s measurement date, the following employees were covered by the benefit terms:

Plan Membership	
Current retirees and surviving spouses	52,978
Inactive and eligible for deferred benefit	12,552
Current active members	93,595
	159,125
Active Membership	
State general	18,462
State police and corrections	1,260
Municipal general	17,283
Municipal police	3,169
Municipal FTRE	2,419
Educational Retirement Board	51,002
	93,595

Contributions. Employer and employee contributions to the Fund total 3% for nonenhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee’s salary as required by Section 10-7C-15 NMSA 1978. The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are non-refundable under any circumstance, including termination of the employer’s participation in the Fund. SWMA’s contribution to the RHCA for the year ended June 30, 2024 was \$44,234, which equals the required contribution for the year.

**State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements**

Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At June 30, 2024, SWMA reported a liability of \$569,952 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. SWMA's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2023. SWMA's proportion was 0.03347%, a decrease of 0.00371% from the previous year, which was 0.03718%.

For the year ended June 30, 2024, SWMA's recognized OPEB expense of \$121,885. On June 30, 2024, SWMA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 109,685	\$ 537,656
Net difference between projected and actual earnings on Pension plan investments	12,186	-
Changes in proportion and differences between contributions and proportionate share of contributions	913,263	136,270
Difference between expected and actual experience	9,635	103,190
SWMA's contributions subsequent to the measurement date	44,234	-
Total	\$ 1,089,003	\$ 777,116

**State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements**

Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB (Continued)

Deferred outflows of resources totaling \$44,234 represent SWMA’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2024	\$ 130,276
2025	175,218
2026	134,367
2027	(121,053)
2028	(51,155)
Total	\$ 267,653

Actuarial Assumptions. The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, using the following assumptions:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation	2.30% for ERB members; 2.50% for PERA members
Projected Payroll Increases	3.00% to 13.00% based on years of service, including inflation
Investment Rate of Return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care Cost Trend Rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 8.5% graded down to 4.5% over 12 years for Medicare medical plan costs
Mortality	ERB members: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount-Weighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017 times 60%

**State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements**

Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB (Continued)

Rate of Return. The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which the expected future real rates of return (net of investment fees and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions.

The best estimates for the long-term expected rate of return is summarized as follows:

Asset Class	Long-Term Rate of Return
U.S. core fixed income	1.6%
U.S. equity - large cap	6.9%
Non U.S. - emerging markets	8.7%
Non U.S. - developed equities	7.2%
Private equity	10.0%
Credit and structured finance	3.7%
Real estate	3.6%
Absolute return	3.2%
U.S. equity - small/mid cap	6.9%

Discount Rate. The discount rate used to measure the total OPEB liability is 5.42% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the Authority's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members through the fiscal year ending June 30, 2059. The 7.00% discount rate, which includes the assumed inflation rate of 2.30% for ERB members and 2.50% for PERA members, was used to calculate the net OPEB liability through 2052. Beyond 2059, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher (3.54%) was applied. Thus, 5.42% is the blended discount rate.

**State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements**

Note 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB (Continued)

Sensitivity of SWMA’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of SWMA, as well as what SWMA’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.32%) or 1-percentage-point higher (7.22%) than the current discount rate:

1% Decrease (5.22%)	Discount Rate (6.22%)	Current 1% Increase (7.22%)
\$ 718,569	\$ 569,952	\$ 449,484

Sensitivity of SWMA’s Proportionate Share of the Net OPEB Liability to Changes in the Health Cost Trend Rate. The following presents the net OPEB liability of SWMA, as well as what SWMA’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current Trend Rate	1% Increase
\$ 471,863	\$ 569,952	\$ 682,606

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB plan’s fiduciary net position is available in NMRHCA’s audited financial statements for the year ended June 30, 2023.

Payable Changes in the Net OPEB Liability. At June 30, 2024, SWMA reported no outstanding contributions payable to NMRHCA.

Note 8: RISK MANAGEMENT

SWMA is involved in legal actions arising from the ordinary course of operations. With respect to these actions, SWMA’s counsel believes the outcomes will not have a material impact on SWMA’s financial statements. SWMA is insured through the City under the same policy for general liability with a deductible of \$50,000 and pollution legal liability with a deductible of \$25,000 for each occurrence.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 8: RISK MANAGEMENT (Continued)

Autos, machinery, equipment, and buildings are covered through the City's policies and are subject to deductibles and self-insured retentions under the City's commercial coverage. The auto property damage deductible is \$25,000 and the property deductible is \$100,000. The City is self-insured for the first \$50,000 of liability per claim.

SWMA participates in the Santa Fe Health Fund and the Workers' Compensation Fund which are self-insured programs administered by the City. SWMA makes pro rata payments to the City based on actuarial estimates of the amounts needed to pay prior year and current year claims and to establish a reserve for catastrophic losses.

The Santa Fe Health Fund accounts for the self-insured program for employee health and major medical benefits. Claims are handled by a professional, third-party claims administrator. The City maintains specific stop loss coverage for individual claims in excess of \$250,000 with \$1,000,000 statutory limit.

The Workers' Compensation Fund accounts for the self-insured program and for workers' compensation Fund accounts for the self-insured program and for workers' compensation coverage. Claims are handled by a professional, third-party claims administrator. The City maintains specific stop loss coverage for individual claims in excess of \$600,000 with a \$1,000,000 statutory limit. There was no reduction in amount of coverage for 2024.

Note 9: FISCAL AGENT AGREEMENT

In January 1996, SWMA entered into an agreement with the City to act in the capacity as fiscal agent for SWMA. Duties of the City include maintain fiscal records, establishment of a uniform system of accounts, receiving and recording cash deposits, providing accountability of all disbursements, recording accounts receivable, recording capital assets, maintain a general ledger, and preparing financial statements. The City also provides services to review bids, make bond payments, and maintains personnel and payroll records.

The agreement states that the City may be compensated for services provided by administrative staff. The City uses calculations in a manner similar to its method to allocate general fund services to its enterprise funds to determine these administrative costs. The administrative costs allocated to SWMA for the fiscal year ended June 30, 2024 were \$192,941.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 10: COMMITMENTS AND CONTINGENCIES

Leases

SWMA (lessee) entered into a lease agreement effective October 1, 2016, with the City of Santa Fe (lessor) to lease a certain premise of land approximately 24.07 acres located within the City of Santa Fe, New Mexico. The facility has been developed and is currently used as a transfer station and lessee will use this facility for the receipt of solid waste and conventional recyclables for transfer to the Caja del Rio Landfill or other facilities. The agreement with the City is for a term of eight years with an “optional additional terms” of six years each, contingent upon compliance with the lease agreement. Lessee shall pay \$266,000 as annual rent. SWMA is currently negotiating with the City of Santa Fe to renew the lease.

SMWA entered into an agreement effective May 19,2022, with a Contractor for the crushing and sales operation of previously quarried basalt rock at the Caja Del Rio Landfill. The agreement with the Contractor is for a term of ten years, terminating on May 19, 2032. The Contractor pays SWMA \$1.50 per ton of the crushed rock that is sold and removed from the landfill. As SWMA does not have mineral rights to the basalt rock, they have a royalty agreement with the Bureau of Land Management (BLM) in which \$0.75 per ton of crushed rock sold is paid by SWMA to BLM. Furthermore, the term of the BLM agreement is April 8, 2021 to April 8, 2026, or 450,000 tons, whichever comes first.

The lease commitment was evaluated against the criteria of GASBS No. 87 and met applicable exclusions. As such, no right-of-use asset or relating liability was required to be reported.

Construction in Progress

An additional \$105,718 of construction in progress was added in fiscal year 2024. This was for a low-profile truck scale at the BuRRT Transfer Station. This is anticipated to be completed in fiscal year 2025. No additional Construction in Progress for cell development was performed in fiscal year 2024. Any cell development and construction costs for the future cells such as engineering plans and specs, bidding services, CQA services, subgrade preparation, liner installation, leachate collection system installation will be determined approximately two years before construction.

Although the liner systems will not be constructed for 11 years (based on projected volumes and available air space), SWMA requested purchasing aggregate in fiscal year 2022. In August 2021, the Board approved the purchase of 183,146 tons of crushed aggregate (liner drainage layer material) for future liner construction projects (Cells 7-9) under the 2014-2022 Construction Agreement - Basalt Rock Crushing and Sales Operation for the Caja del Rio Landfill - with Del Hur Industries (Del Hur) of Port Angeles, WA, in the amount of \$915,732. The actual purchase was 174,300 tons for \$817,504.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements

Note 10: COMMITMENTS AND CONTINGENCIES (Continued)

An estimated 121,289 cubic yards of crushed aggregate was determined for the future liner systems. At the conversion factor of 1.51 tons per cubic yard, this equates to 183,146 tons. Per the Construction Agreement, the purchase price for crushed aggregate is \$5.00 per ton, which equates to \$915,732.

SWMA requested purchasing the aggregate at that time due to the following factors:

- The Construction Agreement with Del Hur expires in May 2022 and Del Hur has informed SWMA that the sale price of aggregate will increase to at least \$6.50 per ton upon renewal of the contract.
- The current stockpile of uncrushed basalt is projected to last another two to three years and it is unknown if Del Hur will continue to crush rock on SWMA property past that time.
- The current price for delivery of crushed aggregate from a different local source is estimated at \$23 per ton, or \$4,212,366. Per the National Highway Construction Cost Index, the cost for delivered aggregate is expected to increase approximately 6% per year to \$46 per ton at \$8,400,000 in 12 years.
- It will require 8,325 truckloads (22 cubic yards per load) to deliver the aggregate from a local source. These tractor-trailer loads would travel over county and SWMA maintained roads, thereby increasing traffic and road maintenance costs.

Note 11: SOLID WASTE CLOSURE AND POST-CLOSURE CARE

State and federal laws and regulations (i.e., 20.9.2 – 20.9.10 NMAC, New Mexico Solid Waste Act and 40 CFR Part 258 - Subtitle D of RCRA) require SWMA to install an approved final cover system on its regional landfill site after it receives the final receipt of waste to minimize infiltration of liquid into the closed landfill, to minimize wind and water erosion to the cover system, and to control storm water run-off from the closed landfill. The laws and regulations also require SWMA to perform certain post-closure inspection and maintenance as well as monitoring functions at the closed landfill site for 30 years after closure. The closure and post-closure care costs are recognized throughout the estimated 20-year permit period of the landfill operation.

The following describes the cost estimate requirements for closure, post-closure care, and Phase I and II assessments as per 20.9.10 NMAC.

The closure cost estimate requires a detailed written estimate, in current dollars, showing the cost of hiring a third party to close the largest area of the landfill ever requiring a final closure at any time during the active life when the extent and manner of its operation would make closure the most expensive, as indicated by its final closure plan under 20.9.10.9 NMAC;

State of New Mexico
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Notes to Financial Statements

Note 11: SOLID WASTE CLOSURE AND POST-CLOSURE CARE (Continued)

The post-closure cost estimate is based on a detailed written estimate, in current dollars, showing the most expensive costs of hiring a third party to conduct post-closure care for the landfill in compliance with the post-closure care plan under 20.9.10.10 NMAC; and

Both Phase I and Phase II assessments are based on written estimates, in current dollars, of the costs of hiring a third party to conduct activities in accordance with 20.9.10.11 NMAC.

As of June 30, 2024, the total cost estimate for the closure and post-closure care requirements as described above for the Caja del Rio Landfill is \$10,807,807. The estimate increased by \$421,411 from prior year due to using the June 30, 2023 estimates and adjusting for a 4.1% inflation (CPI). The estimates also adjust for operation and maintenance costs of the active landfill gas collection system, including installation of 13 active landfill gas wells in Cell 6B, and decommissioning the active landfill gas system and 41 gas wells, after the 15 year post-closure care.

SWMA, as an operator of a solid waste facility, is required to establish an allowable financial assurance mechanism for closure and post-closure care of a solid waste facility (i.e., landfills, transfer stations) as per 20.9.10.9 – 20.9.10.10 NMAC. Under 20.9.10.20 NMAC, as an allowable mechanism, SWMA created a local government reserve fund, via a resolution approved by SWMA's governing body, specifically for the use of closure and post-closure care funds within its existing financial accounting system. SWMA's reserve fund, as of June 30, 2024, has a total cash balance of \$8,775,538 for the closure and post-closure care costs for the landfill and transfer station. Of this amount, \$4,403,996 is reported as restricted balance (\$4,172,622 for the landfill and \$231,374 for the transfer station), and an additional \$4,371,452 is reported as internally restricted cash balance. The total cash balance of \$8,775,538 is less than the total cost estimate of \$10,807,007 required for the landfill.

The funding mechanism for annualized payments to the Closure/Post Closure fund is based on 20.9.10.14 NMAC, Formulas for Payments into Fund (CE-CV/Y).

For the purpose of financial reporting, SWMA is required to comply with GASB Statement No. 18 for the landfill. The estimated total current cost of closure and post-closure care is measured and recognized by the percentage of the landfill consumed (i.e., airspace measured in cubic yards) in a reporting period. As of June 30, 2024, the percentage of the landfill consumed is 38.61% as opposed to 37.05% for the prior year. The available airspace remaining as of June 30, 2024 is 13.4 million cubic yards. This resulted in a \$324,497 increase to landfill liability as of June 30, 2024. The accrued liability for the closure and post-closure costs of \$4,172,622 is reported as restricted cash balance in the reserve fund. The current entire disposal area of the landfill is 87.3 acres of which 87.3 acres received waste. No other conditions or factors were changed.

The estimated liability (i.e., closure cost) for the Buckman Road Recycling and Transfer Station (BuRRT) is \$231,374 as of June 30, 2024. The funding for the estimated liability is retained as restricted cash balance in the aforementioned reserve.

**State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Financial Statements**

Note 11: SOLID WASTE CLOSURE AND POST-CLOSURE CARE (Continued)

SWMA leases the transfer station from the City, and upon the expiration of the lease, SWMA is required to remove all the materials on site. The estimate includes the cost of hiring a third party to cleanup and dispose of all materials, end products, trash, and solid waste expected to be on hand. The estimate also includes the costs of an independent project manager and contract administrator. Costs related to post-closure care are not expected to be incurred. SWMA expects that future inflation cost will be paid from the internally designated cash balance and interest earnings on these balances. However, if these are inadequate or additional closure and post-closure care requirements are determined (e.g., due to changes in technology or applicable regulations), these costs may need to be covered by solid waste tipping fees.

Note 12: RELATED PARTIES

SWMA is economically dependent on six customers related to tipping fee and recycle revenue. These customers account for 68% of tipping fee and recycling revenue for the year ended June 30, 2024. These customers are City of Santa Fe, Capital Scrap Metal Inc., Santa Fe County, Waste Management of New Mexico, MCT Waste, LLC, and Santa Fe Waste Services.

	Revenue Received	Percent
City of Santa Fe	\$ 5,117,397	42%
Capital Scrap Metal	794,541	7%
Waste Management	730,039	6%
MCT Waste, LLC	551,723	5%
Santa Fe County	523,421	4%
Santa Fe Waste Service	354,062	3%
Other	4,076,151	33%
Total	\$ 12,147,334	100%

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REQUIRED SUPPLEMENTARY INFORMATION



State of New Mexico
Santa Fe Solid Waste Management Agency
Schedule of Employer's Proportionate Share of the Net Pension Liability
PERA Municipal General Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

Fiscal Year	June 30,			
	2024	2023	2022	2021
Measurement Date	2023	2022	2021	2020
SWMA's proportion of the net pension liability	0.1756%	0.1951%	0.1933%	0.2002%
SWMA's proportionate share of the net pension liability	\$ 3,717,661	\$ 3,460,150	\$ 2,178,118	\$ 4,048,499
SWMA's covered payroll	1,942,143	1,827,867	1,752,337	1,874,932
SWMA's proportionate share of the net pension liability as a percentage of its covered payroll	191.42%	189.30%	124.30%	215.93%
Plan fiduciary net position as a percentage of the total pension liability	67.26%	69.35%	77.25%	66.36%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years.

See notes to required supplementary information.

June 30,					
2020	2019	2018	2017	2016	2015
2019	2018	2017	2016	2015	2014
0.1913%	0.1892%	0.1896%	0.1880%	0.2097%	0.1953%
\$ 3,311,593	\$ 3,016,548	\$ 2,605,264	\$ 3,003,607	\$ 2,138,073	\$ 1,523,550
1,745,215	1,691,432	1,665,272	1,610,168	1,738,484	1,602,137
189.75%	178.34%	156.45%	186.54%	122.98%	95.09%
70.52%	73.74%	73.74%	69.18%	76.99%	81.29%

See notes to required supplementary information.

State of New Mexico
Santa Fe Solid Waste Management Agency
Schedule of Employer Contributions
PERA Municipal General Division
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years*

As of and for the Year Ended June 30,	2024	2023	2022	2021
Contractually required contributions	\$ 233,787	\$ 190,330	\$ 179,131	\$ 171,729
Contributions in relation to the contractually required contribution	(233,787)	(190,330)	(179,131)	(171,729)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Company's covered payroll	\$ 2,385,582	\$ 1,942,143	\$ 1,827,867	\$ 1,752,337
Contributions as a percentage of covered payroll	9.80%	9.80%	9.80%	9.80%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years.

See notes to required supplementary information.

2020	2019	2018	2017	2016	2015
\$ 179,056	\$ 166,668	\$ 161,531	\$ 159,033	\$ 153,726	\$ 357,916
(179,056)	(166,668)	(161,531)	(159,033)	(153,726)	(357,916)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,874,932	\$ 1,745,215	\$ 1,691,432	\$ 1,665,272	\$ 1,610,168	\$ 1,738,484
9.55%	9.55%	9.55%	9.55%	9.55%	20.59%

See notes to required supplementary information.

State of New Mexico
Santa Fe Solid Waste Management Agency
Schedule of Employer's Proportionate Share of the Net OPEB Liability of
New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years*

Fiscal Year	June 30,		
	2024	2023	2022
Measurement Date	2023	2022	2021
SWMA's proportion of the net OPEB liability	0.03347%	0.03718%	0.03784%
SWMA's proportionate share of the net OPEB liability	\$ 569,952	\$ 859,399	\$ 1,245,068
SWMA's covered payroll	1,916,800	1,990,550	1,640,888
SWMA's proportionate share of the net OPEB liability as a percentage of its covered payroll	29.73%	43.17%	75.88%
Plan fiduciary net position as a percentage of the total OPEB liability	44.16%	33.33%	25.39%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Santa Fe Solid Waste Management Agency will present information for those years for which information is available.

See notes to required supplementary information.

June 30,			
2021	2020	2019	2018
2020	2019	2018	2017
0.03826%	0.04535%	0.04244%	0.03327%
\$ 1,606,431	\$ 1,470,584	\$ 1,845,223	\$ 1,714,745
1,892,630	1,753,920	1,583,434	1,520,921
84.88%	83.85%	116.53%	112.74%
16.50%	18.92%	14.19%	11.34%

See notes to required supplementary information.

State of New Mexico
Santa Fe Solid Waste Management Agency
Schedule of Employer Contributions
New Mexico Retiree Health Care Authority (NMRHCA) Plan
Last 10 Fiscal Years*

As of and for the Year ended June 30,	2024	2023	2022
Contractually required contributions	\$ 44,234	\$ 38,336	\$ 39,811
Contributions in relation to the contractually required contribution	(44,234)	(38,336)	(39,811)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
SWMA's covered payroll	\$ 2,211,700	\$ 1,916,800	\$ 1,990,550
Contributions as a percentage of covered payroll	2.00%	2.00%	2.00%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Santa Fe Solid Waste Management Agency will present information for those years for which information is available.

See notes to required supplementary information.

2021	2020	2019	2018	2017
\$ 35,115	\$ 40,147	\$ 34,903	\$ 33,828	\$ 32,241
(35,115)	(40,147)	(34,903)	(33,828)	(32,241)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,640,888	\$ 1,892,630	\$ 1,753,920	\$ 1,583,434	\$ 1,520,921
2.14%	2.12%	1.99%	2.14%	2.12%

See notes to required supplementary information.

State of New Mexico
Santa Fe Solid Waste Management Agency
Notes to Required Supplementary Information

Public Employees Retirement Association (PERA) Plan

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA ACFR available at <https://www.nmpera.org/financial-overview/>.

Changes of assumptions. The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 2023 report is available at <https://www.nmpera.org/financial-overview/retirement-fund-valuation-reports/>.

Retiree Health Care Authority (RHCA) Plan

Changes of benefit terms. The NMRHCA eligibility benefits changes in recent years are described in note 1 of the NMRHCA audit available at <http://nmrhca.org/financial-documents>.

Changes of assumptions. The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2022 report is available at <http://nmrhca.org/financial-documents>. See the notes to the financial statements beginning on page 12, which summarizes actuarial assumptions and methods effective with the June 30, 2022 valuation.

In the total OPEB liability measured as of June 30, 2023, changes in assumptions include adjustments resulting from an increase in the discount rate from 5.42% to 6.22%.



SUPPLEMENTARY INFORMATION



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State of New Mexico
Santa Fe Solid Waste Management Agency
Schedule of Revenues, Expenses, and Changes in Net Position
Budget (GAAP Budgetary Basis) and Actual

For the year ended June 30, 2024	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Revenues				
User fees	\$ 11,687,572	\$ 11,687,572	\$ 11,961,152	\$ 273,580
Recycle sales	99,500	99,500	107,009	7,509
Other sales	120,000	120,000	39,452	(80,548)
Other income	59,430	59,430	39,721	(19,709)
Total revenues	11,966,502	11,966,502	12,147,334	180,832
Expenses				
Personnel services	4,155,937	4,155,937	3,736,432	419,505
Contractual services	2,512,087	2,979,358	1,876,457	1,102,901
Supplies	814,873	833,171	602,693	230,478
Repairs and maintenance	738,000	1,113,960	858,256	255,704
Rental expenses	281,200	281,200	272,658	8,542
Utilities	149,500	149,500	95,831	53,669
Insurance	161,688	208,236	204,059	4,177
Office and other expenses	153,000	153,000	128,498	24,502
Travel and training	63,000	63,000	27,105	35,895
Gross receipts tax	583,500	583,500	569,968	13,532
Reimbursable share of sales	60,000	60,000	19,723	40,277
Capital outlay	32,000	2,013,021	17,704	1,995,317
Total expenses	9,704,785	12,593,883	8,409,384	4,184,499
Non-operating revenues (expenses)				
Grants	-	946,427	946,427	-
Investment income	-	-	793,760	793,760
Unrealized gains/(losses)	-	-	39,684	39,684
Total non operating revenues (expenses)	-	-	1,779,871	833,444
Excess of revenues over expenses	\$ 2,261,717	\$ (627,381)	\$ 5,517,821	\$ 5,198,775
Adjustments				
Depreciation and amortization			\$ (2,067,585)	
Additions to landfill liability			(333,650)	
Change in net position			3,116,586	
Net position, beginning of the year			22,748,165	
Net position, end of year			\$ 25,864,751	

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COMPLIANCE SECTION



INDEPENDENT AUDITOR’S REPORT 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*

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor
The Board of Directors of
Santa Fe Solid Waste Management Agency
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 Santa Fe Solid Waste Management Agency (“SWMA”) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise SWMA’s basic financial statements and have issued our report thereon dated December 16, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered SWMA’s internal control over financial reporting (internal control) as a basis for designing 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 SWMA’s internal control. Accordingly, we do not express an opinion on the effectiveness of SWMA’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 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.

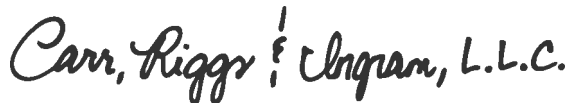
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SWMA'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 financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 result 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.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

Carr, Riggs & Ingram, LLC
Albuquerque, NM
December 16, 2024

**State of New Mexico
Santa Fe Solid Waste Management Agency
Schedule of Findings and Responses
June 30, 2024**

SECTION I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

SECTION II: FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III: SECTION 12-6-5 NMSA 1978 FINDINGS

None noted.

SECTION IV: PRIOR YEAR AUDIT FINDINGS

2023-001 – Late submission of Audit Report – Resolved

State of New Mexico
Santa Fe Solid Waste Management Agency
Other Disclosures
June 30, 2024

EXIT CONFERENCE

An exit conference was held on December 12, 2024. In attendance were the following:

Representing Santa Fe Solid Waste Management Agency:

Michael Garcia	Chairman, City Councilor
Justin Greene	County Commissioner
Camilla Bustamante	County Commissioner
Randall Kippenbrock, PE	Executive Director
Thomasina Chavez	Accountant

Representing Carr, Riggs & Ingram, LLC:

Eric Spurlin, CPA, CITP	Partner
David Navarro	Senior Accountant

AUDITOR PREPARED FINANCIAL STATEMENTS

Carr, Riggs & Ingram, LLC prepared the GAAP-basis financial statements and footnotes of SWMA from the original books and records provided to them by the management of SWMA. The responsibility for the financial statements remains with SWMA.