

City of Sante Fe – Audit 2025 City Council Presentation March 25, 2026



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Agenda

Scope of Work

Audit Timeline

Responsibilities

Auditor's Report

Scope of Work

Scope of Work

Audit of Financial Statements for June 30, 2025

Single audit compliance testing – each major Federal Program

- 20.106 – Airport Improvement Program
- 20.507 – Federal Transit Formula Grants
- 20.205 – Highway Planning and Construction

Compliance with NM State Audit Rule

Timeline

Timeline

Timeline	
Entrance Conference	July 30, 2025
Audit Execution	July 2025 – January 2026
Exit Conference	FS – December 19, 2025 SA – February 9, 2026
Independent Auditor's Report Date*	FS – January 16, 2026 SA – February 9, 2026
State Auditor's Release of Financial Statements	FS – March 3, 2026 SA – March 16, 2026

*Due to federal compliance supplement delays, deadline extensions to January 20, 2026 (financial statement) and February 9, 2026 (single audit).

Auditor's Reports

Auditor's Reports

Independent Auditor's Report

- **Opinion on the Financial Statements**
 - **Unmodified – Best opinion**
 - **Financial Statements are presented fairly in accordance with U.S. GAAP**
 - **No audit where an opinion could not be rendered**
- **Pages 16-19 (Annual Comprehensive Financial Report)**

Auditor's Reports

Independent Auditor's Report on Internal Controls over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

- **Negative Assurance**
 - **2 Financial Statement Findings (2 MW)**
 - **3 State Audit Rule Findings (2 ONC, 1 OM)**
- **Report Pages 304-305 (Annual Comprehensive Financial Report); pages 8-9 (Single Audit Report and Report on the Schedule of Expenditures of Federal Awards)**
- **Schedule of Findings and Responses Pages 307-318 (Annual Comprehensive Financial Report); Schedule of Findings and Questioned Costs Pages 21-34 (Single Audit Report and Report on the Schedule of Expenditures of Federal Awards)**

Auditor's Reports

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

- **Airport Improvement Program**
 - Unmodified Opinion – Previously Audited in 2021, 2022, 2023, 2024
 - 1 MW over internal controls over compliance
- **Federal Transit Cluster**
 - Unmodified Opinion – Previously Audited in 2021, 2023, 2024
 - No findings noted
- **Highway Planning and Construction**
 - Unmodified Opinion
 - No findings noted
- **Report Pages 10-13 (Single Audit Report and Report on the Schedule of Expenditures of Federal Awards)**
- **Schedule of Findings and Questioned Costs Pages 21-34 (Single Audit Report and Report on the Schedule of Expenditures of Federal Awards)**

Auditor Responsibility

Our responsibility under U.S. & *Government Auditing Standards*

- Form and express opinion if financial statements prepared by management are fairly presented in conformity with U.S. GAAP.
- Obtain reasonable, rather than absolute, assurance if financial statements are free from material misstatement.
- Consideration of internal controls for purpose of determining and designing audit procedures.
- Communicate significant matters related to financial statement audit.

Management Responsibility

Management, with oversight from those charged with governance, is responsible for:

- Establishing and maintaining internal controls, including monitoring ongoing activities.
- Selection and application of accounting principles.
- Fair presentation of the financial statements and results of operations in conformity with the applicable framework.
- Maintenance of complete and accurate accounting records.
- Design and implementation of programs and controls to prevent and detect fraud.
- Board to participate in the audit process (entrance conference, exit conference, etc.).

Auditor's Report – Finding Summary

FS Finding 2025-001 (2024-001) – Controls over Construction in Process (MW)

- Pages 308-309 (Annual Comprehensive Financial Report)
- Pages 22-23 (Single Audit Report and Report on the Schedule of Expenditures of Federal Awards)

FS Finding 2025-002 (2024-002) – General Ledger Corrections (MW)

- Pages 310-311 (Annual Comprehensive Financial Report)
- Pages 24-25 (Single Audit Report and Report on the Schedule of Expenditures of Federal Awards)

Auditor's Report – Finding Summary

Federal Finding 2025-006 (2023-006) – Equipment and Real Property Management (MW)

- Airport Improvement Program
- Pages 26-27 (Single Audit Report and Report on the Schedule of Expenditures of Federal Awards)

State Audit Rule Finding 2025-003 – Budgetary Compliance (ONC)

- Pages 312-314 (Annual Comprehensive Financial Report)
- Pages 28-30 (Single Audit Report and Report on the Schedule of Expenditures of Federal Awards)

Auditor's Report – Finding Summary

State Audit Rule Finding 2025-004 (2021-020) – Cash Appropriations in Excess of Available Cash Balances (ONC)

- Pages 315-316 (Annual Comprehensive Financial Report)
- Pages 31-32 (Single Audit Report and Report on the Schedule of Expenditures of Federal Awards)

State Audit Rule Finding 2025-005 – Stale Dated Checks (OM)

- Pages 317 (Annual Comprehensive Financial Report)
- Pages 33 (Single Audit Report and Report on the Schedule of Expenditures of Federal Awards)

Auditor's Report – Finding Summary

Corrected findings

- **2024-003 – Reimbursement Requests – Resolved**
- **2024-004 (2023-004) – Activities Allowed, Allowable Costs over Payroll – Resolved**
- **2024-006 – Subrecipient Monitoring – Resolved**
- **2024-007 (2021-017) – Pledged Collateral – Resolved**

Questions?

Thank You

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