



AGENDA

REGULAR MEETING OF
THE AUDIT COMMITTEE
OCTOBER 06, 2021 AT 2:00
PM
ATTEND VIRTUALLY

SPECIAL PROCEDURES FOR AUDIT COMMITTEE MEETING

Attendance: In response to the State's declaration of a Public Health Emergency, the Mayor's Proclamation of Emergency, and the ban on public gatherings in excess of those permitted in the current Public Health Order, and the need to incorporate technology and practices to re-institute in-person meetings consistent with the limitations established by the Order, the Audit Committee meeting will be conducted virtually.

Viewing: Members of the public may attend the meeting live on Zoom.

Please click the link below to join the webinar:

[https://santafenm.gov.zoom.us/j/93328938081?
pwd=Z1JOQk12ZGUzeEF3MDV RMURIQ3dXUT09](https://santafenm.gov.zoom.us/j/93328938081?pwd=Z1JOQk12ZGUzeEF3MDV RMURIQ3dXUT09)

Passcode: 307994

Or Telephone: 253 215 8782 or 346 248 7799

Webinar ID: 933 2893 8081

Passcode: 307994

Agenda: The agenda for the meeting will be posted at
<https://santafe.primegov.com/public/portal>.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF AGENDA**
4. **APPROVAL OF MINUTES**
 - a. Regular Audit Committee – June, 23, 2021
5. **EXECUTIVE SESSION**
6. **NEW BUSINESS**



AGENDA

REGULAR MEETING OF
THE AUDIT COMMITTEE
OCTOBER 06, 2021 AT 2:00
PM
ATTEND VIRTUALLY

- a. FY20 Audit Presentation- (Raul Anaya, Principal, CliftonLarsonAllen LLC; Mary McCoy, Finance Director, mtmccoy@santafenm.gov, 505-955-6171, Alexis Lotero, Assistant Finance Director, aclotero@santafenm.gov; 505-955-6137)
7. **PUBLIC COMMENT**
8. **MATTERS FROM STAFF**
9. **MATTERS FROM THE COMMITTEE**
10. **MATTERS FROM THE CHAIR**
11. **NEXT MEETING:**
 - a. TBD
12. **ADJOURN**

Persons with disabilities in need of accommodations, contact the City Clerk's office at 955-6521, five (5) working days prior to meeting date.



MINUTES

1. **CALL TO ORDER**

Meeting started 2:07pm

2. **ROLL CALL**

Members Present:

Member Adolfo Montoya
Member Al Castillo
Member Mary Ellen Erpelding-Chacon
Chair Stephanie Woodruff

Members Excused:

Vice Chair Cristina Mulcahy

Others Attending:

Carolynn Roibal, Attendee
Bradley Fluetsch, Attendee
Alexis Lotero, Attendee
Jessica Bundy, Attendee
Caitlin Guterrez, Attendee

3. **APPROVAL OF AGENDA**

MOTION: Member Montoya moved, seconded by Member Erpelding-Chacon, to approve the agenda as presented.

VOTE: The motion was approved on the following Roll Call vote:

For: Member Montoya, Member Castillo, Member Erpelding-Chacon, Chair Woodruff

Against: None

Abstain: None

4. **APPROVAL OF MINUTES**



MINUTES

REGULAR MEETING OF
THE AUDIT COMMITTEE
JUNE 23, 2021 AT 2:00 PM
VIRTUAL MEETING

- a. Regular Audit Committee – March 31, 2021
- b. Regular Audit Committee – November 4, 2020

MOTION: Member Erpelding-Chacon moved, seconded by Member Montoya, to approve the minutes for November 4, 2020 and March 31, 2021 as presented.

VOTE: The motion was approved on the following Roll Call vote:

For: Member Montoya, Member Castillo, Member Erpelding-Chacon, Chair Woodruff

Against: None

Abstain: None

5. EXECUTIVE SESSION

In Accordance with the New Mexico Open Meeting Act, Specifically NMSA 1978, Section 10-15-1(H), Subpart (7), Meetings Subject to the Attorney-Client Privilege Pertaining to Threatened or Pending Litigation in Which the City is or May Become a Participant. In Accordance with the New Mexico Open Meetings Act, Specifically NMSA 1978, Section 10-15-1(H), Subpart(2).

6. NEW BUSINESS

- a. FY21 Internal Audit – Public Utilities Department Internal Audit Update, REDW Internal Audit Team

Caitlin Gutierrez with REDW gave an update on the Public Utilities Department Internal Audit findings, recommendations and corrective action plans.

Nancy Jimenez, gave additional detail on progress of system upgrades.

- b. FY21 Internal Audit – ITT Internal Audit Update, REDW Internal Audit Team



MINUTES

Jessica Bundy, REDW, ITT Internal Audit gave an update. July 9th is exit interview with ITT. Ten days later Management responses due. Expected completion by next Audit Committee in September.

- c. FY21 Internal Audit – Police Evidence Room Update, REDW Internal Audit Team

Jessica Bundy, REDW gave an update on the Police Evidence Room. It is underway and expected to be completed by next Audit Committee.

- d. Discussion of Upcoming FY22 Audit Plan

Stephanie Woodruff, Chair, gave an brief overview of upcoming FY22 Audit Plan. Stephanie Woodruff to follow up on REDW contract with Fran Dunaway in Procurement.

Caitlin Gutierrez and Jessica Bundy with REDW presented for discussion a tentative and preliminary audit plan for FY22.

HR and Treasury are the next Audits on the audit schedule. Other areas are being considered for FY22 audit schedule based upon budget limitations.

- 7. **PUBLIC COMMENT**
- 8. **MATTERS FROM STAFF**
- 9. **MATTERS FROM THE COMMITTEE**
- 10. **MATTERS FROM THE CHAIR**
- 11. **NEXT MEETING: September 01 2021**
 - a. September 1, 2021

Next meeting September 1, 2021 in person.

- 12. **ADJOURN**

Meeting adjourned 3:38 pm



City of Santa Fe

MINUTES

REGULAR MEETING OF
THE AUDIT COMMITTEE
JUNE 23, 2021 AT 2:00 PM
VIRTUAL MEETING

Liaison

Chair

CITY OF SANTA FE, NEW MEXICO
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

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**CITY OF SANTA FE, NEW MEXICO
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

LETTER OF TRANSMITTAL	VI
OFFICIAL ROSTER	XI
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4
STATEMENT OF NET POSITION	14
STATEMENT OF ACTIVITIES	15
BALANCE SHEET – GOVERNMENTAL FUNDS	16
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	17
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS	18
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	19
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (GAAP BUDGETARY BASIS) – GENERAL FUND	20
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (GAAP BUDGETARY BASIS) – 1/2% GROSS RECEIPTS TAX	22
STATEMENT OF NET POSITION – ENTERPRISE FUNDS	23
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION – ENTERPRISE FUNDS	25
STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS	26
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – FIDUCIARY FUNDS	28
NOTES TO FINANCIAL STATEMENTS	29

**CITY OF SANTA FE, NEW MEXICO
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – PERA MUNICIPAL GENERAL DIVISION	73
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – PERA MUNICIPAL POLICE DIVISION	73
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – PERA MUNICIPAL FIRE DIVISION	74
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PERA MUNICIPAL GENERAL DIVISION	75
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PERA MUNICIPAL POLICE DIVISION	75
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PERA MUNICIPAL FIRE DIVISION	76
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	77
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY	78
SCHEDULE OF THE CITY'S OPEB CONTRIBUTIONS	79

SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	81
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS	82
SPECIAL REVENUE FUNDS	83
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS	85
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS	92
CAPITAL PROJECTS FUNDS	98
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS	99

**CITY OF SANTA FE, NEW MEXICO
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS	102
NONMAJOR ENTERPRISE FUNDS	105
COMBINING STATEMENT OF NET POSITION – NONMAJOR ENTERPRISE FUNDS	106
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES TO NET POSITION – NONMAJOR ENTERPRISE FUNDS	108
COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS	110
INTERNAL SERVICE FUNDS	112
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS	113
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS	115
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS	117
STATISTICAL SECTION (UNAUDITED)	
TABLE I - NET POSITION BY COMPONENT	120
TABLE II - CHANGES IN NET POSITION	121
TABLE III - FUND BALANCES – GOVERNMENTAL FUNDS	125
TABLE IV - CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	126
TABLE V - ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY	127
TABLE VI - PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION - ALL DIRECT AND OVERLAPPING GOVERNMENTS	128
TABLE VII - PRINCIPAL PROPERTY TAX PAYERS	129
TABLE VIII - TOTAL TAXABLE BASE FOR GROSS RECEIPTS BY FISCAL YEAR	130
TABLE IX - DIRECT AND OVERLAPPING GROSS RECEIPTS TAX RATES	131

**CITY OF SANTA FE, NEW MEXICO
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

TABLE X - SCHEDULE OF PLEDGED REVENUES	132
TABLE XI - SCHEDULE OF GROSS RECEIPTS TAX REVENUES	133
TABLE XII - RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA	134
TABLE XIII - RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES	135
TABLE XIV - COMPUTATION OF DIRECT AND OVERLAPPING DEBT – GENERAL OBLIGATION DEBT	136
TABLE XV - LEGAL DEBT MARGIN INFORMATION	137
TABLE XVI - PLEDGE REVENUE COVERAGE	138
TABLE XVII - RATIOS OF OUTSTANDING DEBT BY TYPE	141
TABLE XVIII - DEMOGRAPHIC AND ECONOMIC INFORMATION	142
TABLE XIX - PROPERTY VALUE, CONSTRUCTION PERMITS, AND UTILITY CONNECTIONS	144
TABLE XX - TEN LARGEST EMPLOYERS – SANTA FE METROPOLITAN AREA	145
TABLE XXI - AUTHORIZED BUDGETED POSITIONS OF CITY GOVERNMENT EMPLOYEES BY FUNCTION	146
TABLE XXII – SCHEDULE OF INSURANCE IN FORCE	147
TABLE XXIII - MISCELLANEOUS STATISTICS	148
OTHER SUPPLEMENTARY INFORMATION	
SCHEDULE OF PLEDGED COLLATERAL (MARKET VALUE)	150
AGENCY FUNDS DESCRIPTION	151
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS	152
SCHEDULE OF JOINT POWER AGREEMENTS	153

**CITY OF SANTA FE, NEW MEXICO
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

SINGLE AUDIT SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	155
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	157
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	158
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	160
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	163
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	190
EXIT CONFERENCE	192



City of Santa Fe, New Mexico

200 Lincoln Avenue, P.O. Box 909, Santa Fe, N.M. 87504-0909
www.santafenm.gov

Alan Webber, Mayor

Councilors:

Signe I. Lindell, Mayor Pro Tem, District 1
Renee Villarreal, District 1
Michael J. Garcia, District 2
Carol Romero-Wirth, District 2
Roman "Tiger" Abeyta, District 3
Chris Rivera, District 3
Jamie Cassutt, District 4
JoAnne Vigil Coppler, District 4

August 30, 2021

The Honorable Mayor, the Governing Body, and the Citizens of Santa Fe:

We are pleased to submit the annual financial report of the City of Santa Fe (City) for the fiscal year ended June 30, 2020. The report is prepared by the City's Finance Department to provide information regarding the financial position of the City. This report is prepared in accordance with U.S. generally accepted accounting principles (GAAP), as established by the Governmental Accounting Standards Board (GASB). The responsibility for the accuracy, completeness, and fairness of the data presented, including disclosures, rests with the City. City management believes this report is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City. Management is also responsible for establishing and maintaining internal accounting controls designed to provide reasonable, but not absolute, assurance that these financial statements are complete and accurate in their presentation.

New Mexico State Statute 12-6-3, NMSA 1978 mandates that the financial affairs of the City's records be thoroughly examined and audited each year by independent public accountants. The City selected CliftonLarsonAllen LLP to perform the June 30, 2020 audit. This audit is conducted in accordance with generally accepted government auditing standards (GAGAS) issued by the Comptroller General of the United States. The audit provides an independent review to help assure a fair presentation of the City's financial position and results of operations. The City also undergoes an annual audit of its federal grant funds as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). CliftonLarsonAllen LLP issues separate reports on the City's internal control systems and compliance with applicable laws and regulations that meet the requirements of the Uniform Guidance. A substantial focus of the Single Audit is to evaluate the City's internal control structure. The evaluation includes testing a significant number of the major federal program transactions that occurred during the fiscal year. The Single Audit also requires that the auditors determine whether the organization has complied with laws and regulations that may have a material effect on each of its major federal financial assistance programs. All of the City's major federal programs are evaluated for the adequacy of internal controls and compliance with laws and regulations.

Management's Discussion and Analysis (MD&A) accompanies the independent auditor's report and provides a narrative overview and analysis to accompany the basic financial statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it.

FACTORS AFFECTING FINANCIAL CONDITION

The financial statement information is best understood when it is considered from the broader perspective of the specific environment in which the City of Santa Fe operates.

Profile of the City

The City's form of government has a direct bearing on its financial operations. The City of Santa Fe was founded in 1609 and chartered as a town in 1891 under territorial law. In December 1997 the City approved, by electoral vote, a Municipal Charter that became effective in March 1998. The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Santa Fe has operated under the Mayor-Council-City Manager form of government since 1954. In 2014 the citizens voted to change the status of the Mayor from a part-time to a full-time Mayor, with a significant increase in duties and responsibilities. The City's Mayor, Alan Webber, was elected in March 2018 to serve a four year-term. Prior to his service as the 43rd Mayor, and the City's first full-time executive, Mayor Webber built a career in business and journalism, most notably as the Editorial Director of the Harvard Business Review and Co- Founder and Co-Editor-in-Chief of Fast Company magazine.

The governing body consists of eight City Councilors and the Mayor, who are all elected on a non-partisan basis. City Council members serve four-year staggered terms with four city councilors elected every two years within four districts. Policy-making and legislative authority are vested in the governing body. The governing body is responsible for passing ordinances and adopting the budget and creating or abolishing departments.

The Mayor appoints and may remove the City Manager, the City Attorney, the City Clerk and members of advisory commissions, subject to the approval of the governing body. The City Manager is the chief administrative officer of the City and is responsible for carrying out the policies and ordinances approved by the governing body. In addition to overseeing the day-to-day operations of the City, the City Manager also appoints the directors of the various departments, prepares the annual budget, and keeps the governing body informed of the financial condition and needs of the City.

The City provides a full range of services including: police and fire protection; public works; highways and streets; wastewater operations; refuse collection and transport; water services; transit; parking facilities operations; convention center services; recreational activities; cultural events; community welfare; and the municipal airport.

Local Economy

Santa Fe is located in the north central part of the state. It is the oldest state capital in the United States. Its current population is approximately 84,000 residents. As the state's capital, Santa Fe benefits from a stable, educated government workforce. Many city residents also work at Los Alamos National Laboratory in neighboring Los Alamos, one of the country's premier scientific research centers. Santa Fe's economy is based largely on tourism and, as the capital city, state government, which is the largest employer in the area. Known as "The City Different," Santa Fe is also one of the top five art markets in the world and the third largest art market in the United States. Santa Fe's spectacular Rocky Mountain setting and stunning wealth of cultural resources; including over 250 art galleries, 14 museums, four-star hotels and resorts, a nationally recognized opera company, dozens of major annual festivals, and many award winning restaurants, shops and spas, draw visitors and second home owners from all over the

globe. Santa Fe receives an average of 1.8 million visitors annually and has been named as one of the top ten tourist destinations in the country by Travel and Leisure magazine. The growth of visitors increased occupancy of Santa Fe's hotels and drove a rapidly expanding short-term rental market. In 2021 Santa Fe earned many national and international accolades including:

- TIME Magazine list of the "World's Greatest Places 2021"
- "21 Best Places to Retire in 2021" by RetireBetterNow.com.
- Ranked as the #2 small city on the Moviemaker Magazine 2021 list of the "Best Places to live and work as a movie maker"
- Several Santa Fe hotels ranked at the top of the 2021 Best Hotels in the U.S. list curated by U.S. News and World Report.
- Two Santa Fe Restaurants placed in the top 25 on the Tripadvisor Traveler's Choice list of "Best Fine Dining Restaurants - United States." Sazon ranked at #4 and Geronimo at #11 in 2021.

Fiscal year 2020 saw a time of economic uncertainty brought on by the coronavirus pandemic and the associated economic fallout. However, the fiscal year 2020 finances and fiscal year 2021 budget continued the City's record of strong fiscal management. The City of Santa Fe recognized that proactive management would make the difference in managing through the pandemic without negative impacts to our financial system in the long run. In times of crisis and uncertainty, proactive and nimble management to address the evolving situation are critical in maintaining a stable financial position.

In addition to prioritizing the health and safety of our residents during the pandemic, it was also our responsibility to monitor the state of the City's finances. The City of Santa Fe took early, proactive steps in April 2020 to understand the impact of the pandemic on Santa Fe's economy, address the anticipated budgetary shortfalls in the last 3 months of the fiscal year with actions including spending and hiring freezes, and completely redesign the budget development process. In July of 2020 the City achieved a balanced budget for fiscal year 2021 without resorting to increases in taxes. Making early fiscally responsible decisions in the Spring and Summer of 2020 gave the City the ability to function effectively through the uncertainty of this crisis and into the recovery and rebuilding period.

Because of the strong fiscal management the City is prepared to respond to the needs of our residents. The City will continue to monitor the unfolding impacts of the COVID-19 pandemic and respond accordingly to ensure all residents are able to live and work safely in the City.

Financial Overview and Policies

Gross receipts tax revenue accounts for approximately 70 percent of funding for governmental services. Since 2011, gross receipt tax revenue (GRT) has increased for the last eight consecutive years, with the largest increase in 2018 at 7.5 percent. The City maintains sound reserves as a buffer against economic slowdowns and funds almost two-thirds of its total expenditures from utility rates, fees, and grants. Through the diligent and collective efforts of the elected officials and city staff, measures continue to be taken to limit expenditures, prioritize services and projects and to budget conservatively while minimizing the effect on community services.

Cash Management

The City adopted a new Investment Policy in Fiscal Year 2017. The City invests cash in demand deposits, certificates of deposit, securities issued by the United States Government and its Agencies, and money market funds. Investment terms may range out to five years under the City's Investment Policy.

Debt Management

The City issued the 2018 Gas Tax Bond, pledging gas tax revenues received from the State of New Mexico with a subordinate GRT lien. The City raised \$11,500,000 dedicated to improve streets throughout the City over the next three years.

Procurement

The City has a centralized purchasing office that reviews all procurements for compliance. In January 2018, the City adopted the State of New Mexico Procurement Code. The City also streamlined the contracting process by reducing its contracts to three categories: Professional Services, Service Agreements, and Purchase Orders. The City rolled out a Purchasing Card program and is in the process of updating the procurement manual.

Budget

The annual budget serves as the foundation for the City of Santa Fe's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager each year. The City Manager uses these requests as the starting point for developing a proposed budget for the upcoming fiscal year. The City Manager presents this proposed budget to the finance committee, which is composed of five city councilors, through a series of public meetings. The city council reviews the finance committee's recommended budget and adopts a final budget by June 1 for the fiscal year commencing July 1. The appropriated budget is prepared by fund, function (e.g., public safety), and division (e.g., water). The Municipal Charter allows the City Manager to approve transfers of appropriations within a department up to \$60,000. Transfers over \$60,000 or between funds, as well as any net budget increases or decreases, require city council approval. Budget-to-actual comparisons are provided in this report at the function level for the general fund, at the fund level for the special revenue and capital improvement funds, and at the division level for the proprietary funds for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented in this report as part of the basic financial statements for the governmental funds. For funds (other than the general fund) with appropriated annual budgets, this comparison is presented in the fund subsections of this report.

Risk Management

The risk management programs include workers' compensation, comprehensive loss coverage, medical, safety, and other employee coverage programs. As part of this comprehensive plan, resources are accumulated in internal service funds from premiums assessed to all departments and funds to cover the costs of potential losses. In combination with third-party administrators, the City also utilizes controls including safety checks, employee prevention and reporting training, reviews to recognize liability exposure, health and wellness information and other cost controls.

Pension Plan

The City of Santa Fe participates in the State of New Mexico's Public Employees Retirement plan in which substantially all employees participate. The plan is a cost-sharing, multiple- employer, defined benefit plan that is authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The contribution requirements of defined benefit plan members and the City of Santa Fe are established in state statute under Chapter 10, Article 11, NMSA 1978. The City makes the required payments as determined by PERA through City and member contributions.

Other Postemployment Benefit Plan

The City contributes to the New Mexico Retiree Health Care Fund, a cost sharing, multiple- employer, defined benefit, post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. The City makes the required payments as determined by RHCA through City and member contributions.

Acknowledgements

We would like to express our appreciation to the staff of the Finance Department whose dedication made the timely preparation of the audit report possible. Several other City departments provided information and assisted in the audit report preparation. We gratefully acknowledge their efforts and contributions to this report.

We also wish to thank the staff of CliftonLarsonAllen LLP for their counsel, technical assistance, and continued support in the preparation of this report.

Finally, we wish to thank you for your continued interest in the financial operations of the City. The annual audit report will be featured on the City's web page: www.santafenm.gov.

Respectfully submitted,



Jarel LaPan Hill
City Manager



Mary McCoy
Finance Director

**CITY OF SANTA FE, NEW MEXICO
OFFICIAL ROSTER
JUNE 30, 2020**

MAYOR

Alan M. Webber

CITY COUNCIL

Signe I. Lindell, Mayor Pro Tem	District 1
Renee Villarreal	District 1
Carol Romero-Wirth	District 2
Michael Garcia	District 2
Christopher M. Rivera	District 3
Roman "Tiger" Abeyta	District 3
Jamie Cassutt	District 4
JoAnne Vigil Coppler	District 4

CITY MANAGER

Jarel LaPan Hill

FINANCE DEPARTMENT

Mary T. McCoy
Finance Director

Alexis Lotero
Assistant Finance Director

Bradley Fluetsch, CFA
Financial Planning and Reporting Officer

Clayton Pelletier
Controller

Fran Dunaway
Chief Procurement Officer

Andrew Hopkins
Acting Budget Officer

Melanie Sharpe
Payroll Manager

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Mr. Brian Colón, Esq., New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe
Santa Fe, New Mexico

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons for the general and major special revenue fund of the City of Santa Fe, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Mr. Brian Colón, Esq., New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Fe as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the general and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-13 and the schedules of the City's proportionate share of the net pension and OPEB liability and the schedules of the City's contributions on pages 73-79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Santa Fe's basic financial statements. The combining and individual nonmajor fund financial statements and introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Other Supplementary Schedules listed in the table of contents, and schedules required by 2.2.2 NMAC included in Other Supplementary Information and Other Supplementary Financial Information, as listed in the table of contents is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, and schedules required by 2.2.2 NMAC included in Other Supplementary Information and Other Supplementary Financial Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mr. Brian Colón, Esq., New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2021, on our consideration of the City of Santa Fe'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 result of that testing, and not to provide an opinion on the effectiveness of the City of Santa Fe'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 City of Santa Fe's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
September 21, 2021

**CITY OF SANTA FE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020**

As management of the City of Santa Fe ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vi through x of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$503,386,942 (*net position including Business-Type Activities*).
- The City's total assets and deferred outflows decreased by \$3,241,627.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$100,409,198 which is a decrease of \$3,308,310 in comparison with the prior year.
- Of the total governmental fund balances of \$100,409,198, less than 1%, or \$302,091 is considered nonspendable and approximately 100%, or \$109,514,982, is restricted, committed or assigned. At the end of the current fiscal year, the unassigned fund balance is a negative amount of \$9,407,875 and is not available for spending at the City's discretion.
- The City's total long-term liabilities decreased by \$35,371,564.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**CITY OF SANTA FE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020**

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community development, culture and recreation, and education. The business-type activities of the City include the operations of wastewater management, water management, railyard properties, convention center, environmental services, College of Santa Fe property, municipal recreation facilities, parking, transit and an airport.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *government funds* with similar information presented for *government activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Gross Receipt Tax Fund, and the Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all its funds. A budgetary comparison statement has been provided for all its funds to demonstrate compliance with this budget.

**CITY OF SANTA FE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020**

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Santa Fe Convention Center, Parking Operations, College of Santa Fe, Environmental Services, Water Management, Transit Operations, Wastewater Management, Municipal Recreation Complex, Genoveva Chavez Community Center, Railyard Property and Airport. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Employee Health Care and Dental program, Risk Management Administration, Workers' Compensation, Union Sick Leave, Unemployment Banks, and services to other funds. As the service of these funds listed predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Management, Wastewater Management, Environmental Services, College of Santa Fe, Transit Bus System, and the Santa Fe Convention Center, all of which are considered major funds of the City. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 through 76 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$503,386,942 at the close of the most recent fiscal year.

City of Santa Fe's
NET POSITION
June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 140,024,726	\$ 136,025,272	\$ 155,686,773	\$ 155,047,806	\$ 295,711,499	\$ 291,073,078
Capital Assets	323,927,182	317,555,157	410,525,533	411,534,822	734,452,715	729,089,979
Deferred Outflows of Resources	20,811,205	30,258,769	6,673,063	10,371,656	27,484,268	40,630,425
Total Assets and Deferred Outflows of Resources	484,763,113	483,839,198	572,885,369	576,954,284	1,057,648,482	1,060,793,482
Long-Term Liabilities	273,504,425	292,335,288	198,053,601	215,452,106	471,558,026	507,787,394
Other Liabilities	27,977,836	20,906,613	12,471,543	9,743,090	40,449,379	30,649,703
Deferred Inflows of Resources	31,475,081	23,842,476	10,779,054	8,711,162	42,254,135	32,553,638
Total Liabilities and Deferred Inflows of Resources	332,957,342	337,084,377	221,304,198	233,906,358	554,261,540	570,990,735
Net Position:						
Net Investment in Capital Assets	213,911,218	190,668,701	301,872,296	292,741,053	515,783,514	483,409,754
Restricted	71,159,336	59,781,685	1,367,582	1,346,904	72,526,918	61,128,589
Unrestricted	(133,264,783)	(103,695,565)	48,341,293	48,959,969	(84,923,490)	(54,735,596)
Total Net Position	\$ 151,805,771	\$ 146,754,821	\$ 351,581,171	\$ 343,047,926	\$ 503,386,942	\$ 489,802,747

**CITY OF SANTA FE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020**

The City's investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment) is \$ 511,409,917, is presented net of related outstanding debt used to acquire those capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position amounting to \$66,752,845, or 13.3%, represents resources that are subject to external restrictions on how they may be used.

The governmental activities unrestricted deficit net position is due to the pension and OPEB liabilities. This represents the City's portion of the statewide PERA and OPEB liabilities. Please refer to the notes to the Financial Statements for a more detailed explanation.

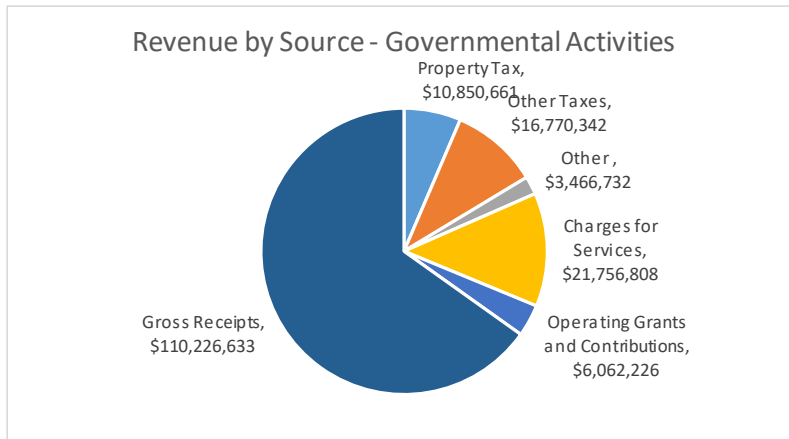
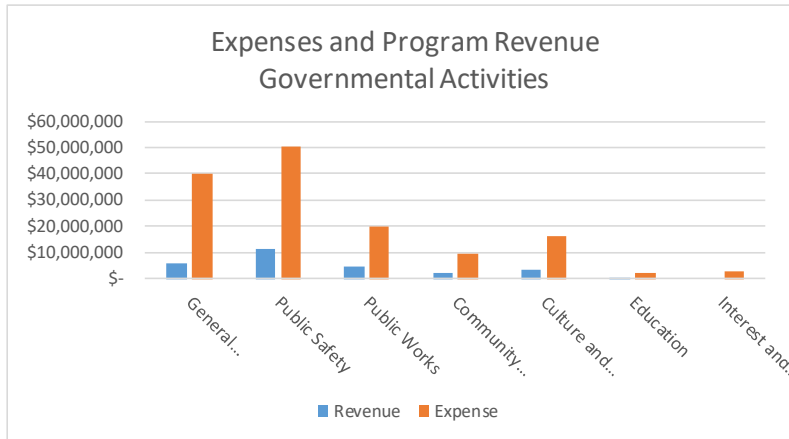
**City of Santa Fe
Changes in Net Position
For Fiscal Year Ending June 30, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 21,756,808	\$ 17,261,646	\$ 75,703,617	\$ 76,572,637	\$ 97,460,425	\$ 93,834,283
Operating Grants and Contributions	6,062,226	7,711,901	2,906,023	5,903,328	8,968,249	13,615,229
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues						
Gross Receipts Tax	110,226,633	106,212,788	4,902,969	4,666,176	115,129,602	110,878,964
Other Taxes	27,621,003	29,982,722	-	-	27,621,003	29,982,722
Other	3,466,732	3,945,240	446,353	2,365,557	3,913,085	6,310,797
Total Revenues	<u>169,133,402</u>	<u>165,114,297</u>	<u>83,958,962</u>	<u>89,507,698</u>	<u>253,092,364</u>	<u>254,621,995</u>
Expenses:						
General Government	39,892,724	31,873,658	-	-	39,892,724	31,873,658
Public Safety	50,414,736	48,812,338	-	-	50,414,736	48,812,338
Public Works	19,778,915	16,470,000	-	-	19,778,915	16,470,000
Community Development	9,425,984	13,676,856	-	-	9,425,984	13,676,856
Culture and Recreation	16,263,337	15,840,896	-	-	16,263,337	15,840,896
Education	2,595,792	2,576,061	-	-	2,595,792	2,576,061
Interest on Long-Term Debt	2,842,048	3,367,613	-	-	2,842,048	3,367,613
Wastewater Management	-	-	9,685,812	13,643,617	9,685,812	13,643,617
Water Management	-	-	35,646,342	39,106,101	35,646,342	39,106,101
Environmental Services	-	-	12,025,629	12,718,672	12,025,629	12,718,672
College of Santa Fe	-	-	12,820,298	4,538,900	12,820,298	4,538,900
Railyard Center	-	-	4,489,867	3,624,154	4,489,867	3,624,154
Santa Fe Convention Center	-	-	4,717,623	4,884,230	4,717,623	4,884,230
All Other Proprietary Funds	-	-	18,909,062	29,237,358	18,909,062	29,237,358
Total Expenses	<u>141,213,536</u>	<u>132,617,422</u>	<u>98,294,633</u>	<u>107,753,032</u>	<u>239,508,169</u>	<u>240,370,454</u>
Increase (Decrease) in Net Position						
Before Transfers:	27,919,866	32,496,875	(14,335,671)	(18,245,334)	13,584,195	14,251,541
Transfers Net	(22,868,916)	(23,011,145)	22,868,916	23,011,145	-	-
Increase (Decrease) in Net Position	<u>5,050,950</u>	<u>9,485,730</u>	<u>8,533,245</u>	<u>4,765,811</u>	<u>13,584,195</u>	<u>14,251,541</u>
Beginning Balance	146,754,821	137,269,091	343,047,926	338,282,115	489,802,747	475,551,206
Restatement of Net Position	-	-	-	-	-	-
Ending Balance	<u>\$ 151,805,771</u>	<u>\$ 146,754,821</u>	<u>\$ 351,581,171</u>	<u>\$ 343,047,926</u>	<u>\$ 503,386,942</u>	<u>\$ 489,802,747</u>

The City's net position increased by \$13,584,195 during the current fiscal year. This growth largely reflects decreases in operating expenses.

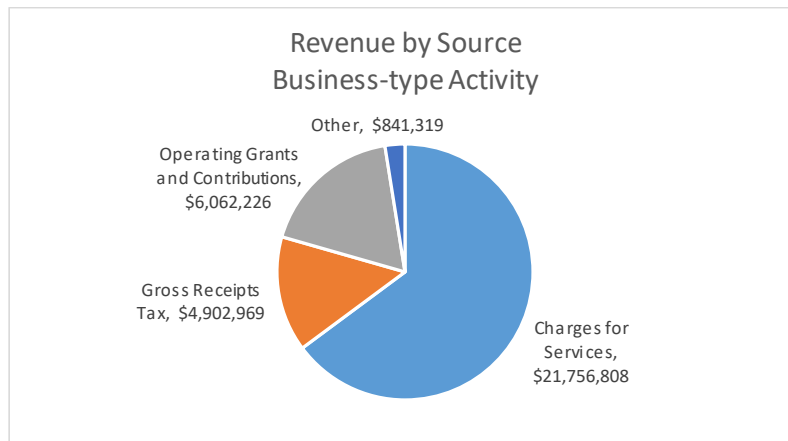
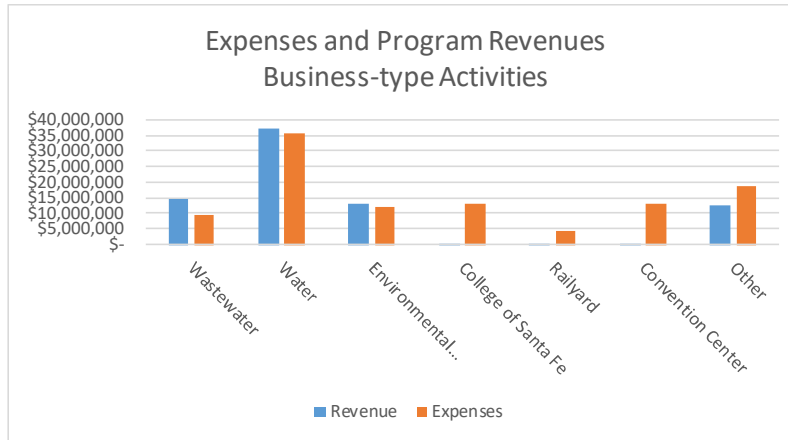
**CITY OF SANTA FE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020**

Governmental activities. The governmental activities increased the City's net position in total by \$5,050,950. This was due to a reduction in overall expenses, primarily related to a decrease in pension and other post-employment benefits expenses. The majority of the taxes are provided by a gross receipts tax (GRT) levied on goods and services in the amount of \$110,226,633. This was a slight increase from the gross receipts tax revenues received in 2019 in the amount of \$4,013,845.



**CITY OF SANTA FE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020**

Business-type activities. Business-type activities (not including Internal Service Funds) increased in net position by \$8,533,245, primarily due to the net transfers from Governmental activities of \$22,868,916. In funds where revenues exceed operating expenses, rate revenues are set at a level that in combination with net position support long term capital investment programs and maintenance of prudent reserves. Much of the accumulated cash in the Water, Wastewater, Convention Center and other business type activities are being used for large capital projects in progress.



As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

CITY OF SANTA FE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$100,409,198, a decrease of \$3,308,310 in comparison with the prior year.

Unlike government-wide financial statements debt is not included in fund financial statements and expenditures for capital assets are not capitalized. Expenditures of fund balances and revenues in special revenue funds, capital project funds and debt related funds are generally subject to legal restrictions that limit use of those funds to specific purposes. The balance in those funds are considered spendable as are amounts set aside by the City Council to provide funding for economic uncertainties and contingencies or liabilities not accrued in the fund balance sheet under the principles of modified accrual accounting. The General Fund is the chief operating fund for the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$859,059, while total fund balance was \$29,489,650. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 1 percent of total expenditures and fund balance represents 34 percent of total expenditures.

The fund balance of the City's General Fund increased by \$5,073,630 during the current fiscal year, a key factor was an increase in revenues.

The Debt Service fund has a total fund balance of \$3,626,991.

Proprietary funds. The City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the year amounted to \$351,581,171. Change in net position for enterprise funds was \$8,533,245.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between expenditures in the original budget and the final amended budget were relatively minor and can be briefly summarized as follows:

- \$1,514,000 increase in general government
- \$ 517,653 increase in public safety
- \$ 334,927 decrease in public works
- \$ 21,310 decrease in community development
- \$ 11,302 increase in culture and recreation
- \$ 37,220 increase in education

The increase in budgeted revenues covered some of the budgeted increases; however cash balances funded the difference, which included carryover commitments from the prior fiscal year. With some cost control measures enacted during the fiscal year as it became apparent that revenues would not be realized, actual expenditures were below the final budget in the amount of \$10,019,594.

**CITY OF SANTA FE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$734,452,715 (net of accumulated depreciation). Capital assets includes land, buildings and systems, improvements, machinery and equipment, vehicles, infrastructure, and park facilities. The total increase in the City's net capital assets for the current fiscal year was 1%.

Major capital asset events during the current fiscal year included the following:

- Construction in progress in various City facilities totaled \$39,496,304 including both governmental-type and business-type funds.
- General City projects in progress included street paving, signalization, river channel improvements, park improvements, building renovations, and street traffic calming projects.

**City of Santa Fe's Capital Assets
(Net of Depreciation)
For Fiscal Years Ending June 30, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and Water Rights	\$ 169,939,946	\$ 169,939,946	\$ 41,695,537	\$ 41,695,537	\$ 211,635,483	\$ 211,635,483
Construction in Progress	7,804,360	4,255,388	31,691,944	20,678,203	39,496,304	24,933,591
Art	885,046	864,920	219,971	215,971	1,105,017	1,080,891
Buildings and Structures	40,935,264	39,414,511	230,381,665	237,916,996	271,316,929	277,331,507
Improvements	38,497,583	44,380,635	22,761,821	31,998,970	61,259,404	76,379,605
Sewerlines and Utility Systems	-	-	67,758,658	66,227,633	67,758,658	66,227,633
Equipment and Machinery	4,751,447	4,572,851	3,725,758	1,963,559	8,477,205	6,536,410
Furniture and Fixtures	53,433	25,290	18,240	3,315	71,673	28,605
Vehicles	8,323,413	7,475,187	12,214,211	10,674,406	20,537,624	18,149,593
Data Processing and Software	2,309,525	584,355	57,728	160,232	2,367,253	744,587
Traffic Signals	158,264	187,793	-	-	158,264	187,793
Streets and Bridges	50,268,901	45,854,281	-	-	50,268,901	45,854,281
Total	<u>\$ 323,927,182</u>	<u>\$ 317,555,157</u>	<u>\$ 410,525,533</u>	<u>\$ 411,534,822</u>	<u>\$ 734,452,715</u>	<u>\$ 729,089,979</u>

**CITY OF SANTA FE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020**

Long-term debt

At the end of the current fiscal year, the City had total outstanding debt of \$233,484,991. Of this amount, governmental activity related debt consisted of \$79,903,000 in debt backed by gross receipts tax revenues and lodgers tax, \$588,766 in outstanding revenue-backed loans, and \$19,130,000 in outstanding property tax supported general obligation debt. In addition, business type debt backed by specified operational revenue sources consisted of \$97,627,000 in bonds and \$36,236,225 in loans.

**City of Santa Fe's Outstanding Debt
Revenue Bonds, General Obligation Bonds, & Loans
For Fiscal Years Ending June 30, 2020 and 2019**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue Bonds	\$ 79,903,000	\$ 88,112,000	\$ 97,627,000	\$ 106,518,000	\$ 177,530,000	\$ 194,630,000
General Obligation	19,130,000	21,175,000	-	-	19,130,000	21,175,000
Loans	588,766	702,363	36,236,225	36,680,654	36,824,991	37,383,017
Total	<u>\$ 99,621,766</u>	<u>\$ 109,989,363</u>	<u>\$ 133,863,225</u>	<u>\$ 143,198,654</u>	<u>\$ 233,484,991</u>	<u>\$ 253,188,017</u>

As of June 30, 2020, the City had no outstanding issues insured. Underlying ratings for the different types of debt issues by the City are:

Bond Type	S&P/Fitch June 30, 2020	S&P/Fitch June 30, 2019
General Obligation	AA+/AA+	AA+/AA+
Senior Lien Gross Receipts Tax	AA+/AA+	AA+/AA+
Water System Revenues	AAA/AA+	AAA/AA+
Subordinate Lien Gross Receipts Tax	AA/AA+	AA/AA+
Waste Water System Revenues	AA+/AA+	AA+/AA+

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable assessed valuation. The current debt limitation for the City is approximately \$181 million, which is significantly in excess of the City's total outstanding general obligation bond debt of \$19,130,000 at June 30, 2020.

**CITY OF SANTA FE, NEW MEXICO
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Santa Fe was experiencing the best year ever, economically speaking, until February 2020 when the impacts of the pandemic began to impact economic activities. The City implemented prudent actions despite having little to no information regarding the depth and breadth of the pandemic's economic effects. As such, Gross Receipts Tax exceeded the budget by three million dollars, mainly due to a settlement with various retailers made with NM TRD. Other taxes also declined, namely Lodgers' Tax and Property Tax.

- The June unemployment rate for Santa Fe was 10.6 percent, up from 3.8 percent in June of 2019. The State's 2020 unemployment rate for the same period was 8.3 percent, up from June 2019's 4.9 percent, with the June 2020 national rate of 9.8 up from the June 2019 rate of 3.7 percent (source: NM Department of Workforce Solutions and Bureau of Labor Statistics).
- The combined median sales price for single-family homes, condominiums and townhomes in the City reached \$396,500 in June 2020, a 10.6 percent increase over the same period in 2019.
- The dollar value of construction permits grew \$75.1 million, to a total of \$364,332,813 in FY 2020. The total number of permits also decreased 382 permits to a total of 6,419 permits, a 5.6 percent decrease.
- Lodgers Tax collections decreased for the first time in the past seven years, down 20.6 percent or \$2,585,695 from Fiscal Year 2019, for a total of \$9,947,568 in Fiscal Year 2020.
- Gross Receipts Tax received by the City grew by \$4,013,845 or 3.8 percent over 2019 levels.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Finance Director, P.O. Box 909, City of Santa Fe, NM 87504.

CITY OF SANTA FE, NEW MEXICO
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash, Investments, and Cash Equivalents	\$ 84,907,497	\$ 135,714,944	\$ 220,622,441
Receivables, Net of Allowance for Uncollectibles	24,511,486	10,352,706	34,864,192
Internal Balances	(1,958,011)	1,958,011	-
Inventories	46,435	380,471	426,906
Prepaid Expenses	-	351,821	351,821
Restricted Assets:			
Cash, Investments, and Cash Equivalents	29,949,889	1,367,582	31,317,471
Interest Receivable	107,799	100,925	208,724
Intergovernmental Receivable	2,459,631	5,460,313	7,919,944
Capital Assets:			
Land, Land Rights, and Water Rights	169,939,946	41,695,537	211,635,483
Construction in Progress	7,804,360	31,691,944	39,496,304
Depreciable Capital Assets, Net of Accumulated Depreciation:			
Buildings and Structures	66,300,489	328,519,680	394,820,169
Improvements	104,751,587	154,699,479	259,451,066
Sewerlines and Utility Systems	-	166,078,679	166,078,679
Equipment and Machinery	17,234,643	17,413,334	34,647,977
Furniture and Fixtures	444,436	635,237	1,079,673
Vehicles	29,503,158	39,034,614	68,537,772
Art	885,046	219,971	1,105,017
Data Processing Equipment/Software	9,226,495	2,420,743	11,647,238
Traffic Signals	23,517,339	-	23,517,339
Streets and Bridges	227,712,118	-	227,712,118
Accumulated Depreciation	(333,392,435)	(371,883,685)	(705,276,120)
Total Assets	463,951,908	566,212,306	1,030,164,214
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to OPEB Activity	2,826,463	976,914	3,803,377
Deferred Outflow Related to Pension Activity	17,984,742	5,696,149	23,680,891
Total Deferred Outflows of Resources	20,811,205	6,673,063	27,484,268
LIABILITIES			
Accounts Payable	5,427,566	3,046,830	8,474,396
Other Noncurrent Liabilities	21,887,513	7,057,966	28,945,479
Accrued Interest Payable	618,674	382,734	1,001,408
Unearned Revenue	44,083	1,984,013	2,028,096
Long-Term Liabilities:			
Net Pension Liability	122,282,351	38,729,393	161,011,744
Net OPEB Liability	36,832,513	12,730,443	49,562,956
Due Within One Year	9,761,309	14,530,296	24,291,605
Due in More Than One Year	104,628,252	132,063,469	236,691,721
Total Liabilities	301,482,261	210,525,144	512,007,405
DEFERRED INFLOWS OF RESOURCES			
Unamortized Gain on Refund of Bonds	-	118,630	118,630
Deferred Inflows Related to OPEB Activity	23,922,250	8,268,284	32,190,534
Deferred Inflows Related to Pension Activity	7,552,831	2,392,140	9,944,971
Total Deferred Inflows of Resources	31,475,081	10,779,054	42,254,135
NET POSITION			
Net Investment in Capital Assets	213,911,218	301,872,296	515,783,514
Restricted for:			
Endowment - Nonexpendable	302,091	-	302,091
Debt Service	9,354,629	989,390	10,344,019
Compliance	-	378,192	378,192
General Fund State Mandated Cash Balance	28,584,156	-	28,584,156
General Government	3,679,301	-	3,679,301
Public Safety	3,749,988	-	3,749,988
Public Works	18,111,739	-	18,111,739
Community Development	4,442,293	-	4,442,293
Culture and Recreation	2,935,139	-	2,935,139
Unrestricted	(133,264,783)	48,341,293	(84,923,490)
Total Net Position	<u>\$ 151,805,771</u>	<u>\$ 351,581,171</u>	<u>\$ 503,386,942</u>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
General Government	\$ 39,892,724	\$ 3,966,047	\$ 1,747,750	\$ -	\$ (34,178,928)	\$ -	\$ (34,178,928)
Public Safety	50,414,736	9,107,715	2,208,732	-	(39,098,289)	-	(39,098,289)
Public Works	19,778,915	3,573,176	866,539	-	(15,339,200)	-	(15,339,200)
Community Development	9,425,984	1,702,859	412,964	-	(7,310,161)	-	(7,310,161)
Culture and Recreation	16,263,337	2,938,066	712,517	-	(12,612,754)	-	(12,612,754)
Education	2,595,792	468,945	113,725	-	(2,013,122)	-	(2,013,122)
Interest on Long-Term Debt	2,842,048	-	-	-	(2,842,048)	-	(2,842,048)
Total Governmental Activities	141,213,536	21,756,808	6,062,226	-	(113,394,502)	-	(113,394,502)
Business-Type Activities:							
Wastewater Management	9,685,812	14,410,283	-	-	-	4,724,471	4,724,471
Water Management	35,646,342	36,989,724	-	-	-	1,343,382	1,343,382
Santa Fe Convention Center	4,489,867	347,968	11,875	-	-	(4,130,024)	(4,130,024)
College of Santa Fe	4,717,623	588,939	-	-	-	(4,128,684)	(4,128,684)
Environmental Services	12,025,629	13,198,004	-	-	-	1,172,375	1,172,375
Transit System	12,820,298	381,313	34,019	-	-	(12,404,966)	(12,404,966)
Municipal Recreation Complex	1,995,704	685,037	11,994	-	-	(1,298,673)	(1,298,673)
Parking Fund	4,340,377	4,490,425	-	-	-	150,048	150,048
Railyard Properties	3,103,381	510,393	-	-	-	(2,592,988)	(2,592,988)
Airport	4,362,685	2,679,632	2,848,135	-	-	1,165,082	1,165,082
Genoveva Chavez Community Center	5,106,915	1,421,899	-	-	-	(3,685,016)	(3,685,016)
Total Business-Type Activities	98,294,633	75,703,617	2,906,023	-	-	(19,684,993)	(19,684,993)
Total Primary Government	\$ 239,508,169	\$ 97,460,425	\$ 8,968,249	\$ -	(113,394,502)	(19,684,993)	(133,079,495)
General Revenues							
Property Taxes					10,850,661	-	10,850,661
Gross Receipts Taxes					110,226,633	4,902,969	115,129,602
Lodger Taxes					9,947,568	-	9,947,568
Franchise Taxes					5,074,062	-	5,074,062
Motor Fuel Taxes					1,748,712	-	1,748,712
Investment Earnings					2,495,981	841,319	3,337,300
Other Nonoperating Revenue (Expense)					970,751	(394,966)	575,785
Transfers					(22,868,916)	22,868,916	-
Total General Revenues and Transfers					118,445,452	28,218,238	146,663,690
Change in Net Position					5,050,950	8,533,245	13,584,195
Net Position - Beginning of Year					146,754,821	343,047,926	489,802,747
Net Position - End of Year					\$ 151,805,771	\$ 351,581,171	\$ 503,386,942

See accompanying Notes to Financial Statements.

CITY OF SANTA FE, NEW MEXICO
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Debt Service	Gross Receipts Tax	Other Nonmajor Funds	
ASSETS					
Cash and Investments	\$ -	\$ 4,013,971	\$ 6,081,841	\$ 59,967,830	\$ 70,063,642
Cash Restricted for Debt Service Payments	-	1,110,077	-	-	1,110,077
Cash Restricted for State-Mandated					
Cash Balances	28,584,156	-	-	-	28,584,156
Cash Restricted for Endowment	-	-	-	255,656	255,656
Receivables:					
State-Shared Taxes	6,462,553	-	-	434,126	6,896,679
Local Taxes	4,457,889	-	3,465,407	1,749,235	9,672,531
Property Taxes	168,459	-	-	-	168,459
Motor	-	-	-	86,054	86,054
Interest	15,661	2,944	4,583	37,166	60,354
Ambulance, Net of Allowances	269,347	-	-	-	269,347
Grants, Restricted	45,553	-	-	2,414,078	2,459,631
Other Receivables, Net	277,929	-	-	7,041,023	7,318,952
Due from Other Funds	3,446,992	-	14,875,292	420,889	18,743,173
Supplies Inventory	46,435	-	-	-	46,435
Total Assets	\$ 43,774,974	\$ 5,126,992	\$ 24,427,123	\$ 72,406,057	\$ 145,735,146
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)					
Liabilities:					
Accounts Payable	\$ 1,930,243	\$ -	\$ -	\$ 3,497,323	\$ 5,427,566
Pooled Cash - Cash Overdrawn	-	-	-	16,848	16,848
Accrued Wages Payable	6,807,492	-	-	428,993	7,236,485
Due to Other Funds	380,398	1,500,001	-	18,820,785	20,701,184
Unearned Revenue	44,083	-	-	-	44,083
Due to Other Governments	-	-	-	-	-
Deposits and Escrow	4,653,681	-	-	385,068	5,038,749
Gross Receipts Taxes Payable	4,226	-	-	-	4,226
Other Current Liabilities	465,201	-	-	45,294	510,495
Compensated Absence Payable	-	-	-	-	-
Total Liabilities	14,285,324	1,500,001	-	23,194,311	38,979,636
Deferred Inflows of Resources:					
Unavailable Revenue	-	-	-	6,346,312	6,346,312
Total Deferred Inflows of Resources	-	-	-	6,346,312	6,346,312
Fund Balance (Deficit):					
Nonspendable	46,435	-	-	255,656	302,091
Restricted	28,584,156	3,626,991	-	32,918,460	65,129,607
Committed	-	-	-	2,055,893	2,055,893
Assigned	-	-	24,427,123	17,902,359	42,329,482
Unassigned	859,059	-	-	(10,266,934)	(9,407,875)
Total Fund Balance (Deficit)	29,489,650	3,626,991	24,427,123	42,865,434	100,409,198
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 43,774,974	\$ 5,126,992	\$ 24,427,123	\$ 72,406,057	\$ 145,735,146

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total Governmental Fund Balances	\$ 100,409,198
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (Excluding Internal Service Funds).	323,868,796
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in funds:	
Deferred outflows of resources	19,668,891
Deferred inflows of resources	(29,642,850)
The internal service fund is used by management to charge the costs of workers' compensation, health insurance, other post-employment benefit costs to individual funds, and services to other funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	(3,807,334)
Deferred inflows of unavailable revenue included at fund level	6,346,312
Certain liabilities, including bonds and notes payable and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued Interest	(618,674)
Accrued Compensated Absences in Governmental Funds	(4,102,492)
Unamortized Gain on Refunding Bonds	-
Net Pension/OPEB Liability (Excluding Internal Service Funds)	(150,300,112)
Bonds and Notes Payable	<u>(110,015,964)</u>
Net Position of Governmental Activities	<u>\$ 151,805,771</u>

See accompanying Notes to Financial Statements.

CITY OF SANTA FE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Major Funds			Other Nonmajor Funds	Total Governmental Funds
	General Fund	Debt Service	Gross Receipts Tax		
REVENUES					
Gross Receipts Taxes	\$ 72,142,247	\$ -	\$ 23,439,250	\$ 14,645,136	\$ 110,226,633
Motor Taxes	486,671	-	-	1,262,041	1,748,712
Lodgers' Taxes	-	-	-	9,947,568	9,947,568
Property Taxes	8,732,172	2,118,489	-	-	10,850,661
Franchise	5,032,537	-	-	41,525	5,074,062
Licenses and Permits	3,660,758	-	-	45,197	3,705,955
Fees and Charges for Services	8,350,589	-	-	5,376,964	13,727,553
Fines and Forfeitures	217,013	-	-	91,175	308,188
Intergovernmental:					
Federal	-	-	-	1,445,853	1,445,853
State	56,345	-	-	4,560,028	4,616,373
Local	17,710	-	-	97,302	115,012
Rents, Royalties, and Concessions	10,115	-	-	257,210	267,325
Investment Income (Loss)	121,586	1,862,393	41,227	381,850	2,407,056
Other Revenues	458,598	2,153	-	510,000	970,751
Total Revenues	<u>99,286,341</u>	<u>3,983,035</u>	<u>23,480,477</u>	<u>38,661,849</u>	<u>165,411,702</u>
EXPENDITURES					
Current:					
Salaries, Wages, and Fringe Benefits	62,185,526	-	-	9,369,452	71,554,978
Contractual Services and Utilities	9,104,725	-	-	8,028,815	17,133,540
Repairs and Maintenance	817,863	-	-	182,260	1,000,123
Supplies	2,872,475	-	-	1,804,156	4,676,631
Capital Outlay - Inventory-Exempt Items	417,690	-	-	448,645	866,335
Depreciation Expense	-	-	-	-	-
Insurance Premiums	3,106,834	-	-	51,342	3,158,176
BDD - Source of Supply	-	-	-	-	-
Other	7,178,351	-	139	4,082,308	11,260,798
Total Current Expenditures	<u>85,683,464</u>	<u>-</u>	<u>139</u>	<u>23,966,978</u>	<u>109,650,581</u>
Capital Outlay	2,875,546	-	-	18,979,025	21,854,571
Debt Service:					
Principal Payments	-	15,812,597	-	-	15,812,597
Interest	-	4,780,557	-	-	4,780,557
Bond Issuance Costs	45,552	166,374	-	10,709	222,635
Total Expenditures	<u>88,604,562</u>	<u>20,759,528</u>	<u>139</u>	<u>42,956,712</u>	<u>152,320,941</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,681,779	(16,776,493)	23,480,338	(4,294,863)	13,090,761
OTHER FINANCING SOURCES (USES)					
Transfers In	2,334,946	12,271,348	-	11,745,497	26,351,791
Transfers Out	(7,943,095)	-	(14,906,381)	(26,356,355)	(49,205,831)
Proceeds from Sale of Capital Assets	-	-	-	21,170	21,170
Bond Proceeds	-	5,445,000	-	-	5,445,000
Premiums on Bonds Issues	-	988,799	-	-	988,799
Total Other Financing Sources (Uses)	<u>(5,608,149)</u>	<u>18,705,147</u>	<u>(14,906,381)</u>	<u>(14,589,688)</u>	<u>(16,399,071)</u>
NET CHANGE IN FUND BALANCE	5,073,630	1,928,654	8,573,957	(18,884,551)	(3,308,310)
Fund Balances - Beginning of Year	24,416,020	1,698,337	15,853,166	61,749,985	103,717,508
FUND BALANCES - END OF YEAR	<u>\$ 29,489,650</u>	<u>\$ 3,626,991</u>	<u>\$ 24,427,123</u>	<u>\$ 42,865,434</u>	<u>\$ 100,409,198</u>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

Net Change in Fund Balances - Total Government Funds **\$ (3,308,310)**

Amounts reported for governmental activities in the statement of net position are different because:

Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and report as depreciation expense:

Capital Expenditures Recorded in Capital Outlay (excluding Internal Service Funds)	21,854,571
Depreciation Expense (excluding Internal Service Funds)	(14,499,226)
Disposal of capital assets	(968,188)

The internal service fund is used by management to charge the costs of certain activities, such as insurance, to the individual funds. The net expense of the internal service fund is reported with governmental activities. (4,386,494)

Funds transferred out of the internal service fund increase financial resources at the governmental fund level, but have not effect on the statement of activities as the internal service fund is included in governmental activities in the statement of activities. (14,876)

The issuance of long-term debt (bond, loans, and capital leases) provided current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal Payments on Bonds and Loans	15,812,597
Proceeds from the Issuance of Bonds	(6,433,799)
Amortization of Bond Premiums and Discounts	2,076,517
Amortization of Gain on Refunding of Bonds	-

Governmental funds report City pension and OPEB contributions as expenditures. However, in the statement of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension expense.

Net Effect of Pension/OPEB Entries on Statement of Activities	(9,677,246)
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Expenses in the statement of activities that do not require financial resources are not reported as expenditures in the fund:

Change in Revenue not Available for Current Resources	3,632,775
Decrease in Accrued Compensated Absences (excluding Internal Service Funds)	923,554
Decrease in Accrued Interest	39,075
	39,075

Net Change in Net Position - Governmental Activities **\$ 5,050,950**

**CITY OF SANTA FE, NEW MEXICO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL (GAAP BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2020**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
REVENUES				
Taxes:				
State-Shared Taxes:				
Gross Receipts	\$ 24,169,066	\$ 24,769,066	\$ 28,497,920	\$ 3,728,854
Motor	446,492	446,492	486,671	40,179
Gasoline	-	-	-	-
Total State-Shared Taxes	<u>24,615,558</u>	<u>25,215,558</u>	<u>28,984,591</u>	<u>3,769,033</u>
Local Taxes:				
Gross Receipts	46,213,147	46,213,147	43,644,327	(2,568,820)
Property	11,157,228	11,157,228	8,732,172	(2,425,056)
Total Local Taxes	<u>57,370,375</u>	<u>57,370,375</u>	<u>52,376,499</u>	<u>(4,993,876)</u>
Regulatory Fees:				
Franchise	5,292,033	5,292,033	5,032,537	(259,496)
Total Fees	<u>5,292,033</u>	<u>5,292,033</u>	<u>5,032,537</u>	<u>(259,496)</u>
Other Revenues:				
Licenses and Permits	4,430,688	4,430,688	3,660,758	(769,930)
Intergovernmental State	522,196	611,555	56,345	(555,210)
Intergovernmental Local	84,624	84,624	17,710	(66,914)
Fees and Charges for Services	10,189,212	10,189,212	8,350,589	(1,838,623)
Fines and Forfeitures	273,314	273,314	217,013	(56,301)
Rents, Royalties, and Concessions	25,745	25,745	10,115	(15,630)
Investment Income	80,964	80,964	121,586	40,622
Other Revenues	45,845	65,168	458,598	393,430
Total Other Revenue	<u>15,652,588</u>	<u>15,761,270</u>	<u>12,892,714</u>	<u>(2,868,556)</u>
Total Revenues	<u>102,930,554</u>	<u>103,639,236</u>	<u>99,286,341</u>	<u>(4,352,895)</u>
EXPENDITURES				
Current:				
General Government:	20,093,363	21,565,557	15,157,369	6,408,188
Public Safety	43,917,835	43,730,290	44,183,340	(453,050)
Public Works	12,689,494	12,320,144	10,786,864	1,533,280
Community Development	3,733,687	3,712,377	3,370,485	341,892
Culture and Recreation	10,210,713	9,973,508	9,635,166	338,342
Education	3,135,386	3,162,606	2,595,792	566,814
Total Current	<u>93,780,478</u>	<u>94,464,482</u>	<u>85,729,016</u>	<u>8,735,466</u>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL (GAAP BUDGETARY BASIS) (CONTINUED)
YEAR ENDED JUNE 30, 2020**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
EXPENDITURES (CONTINUED)				
Capital Outlay:				
General Government	\$ 163,200	\$ 205,006	\$ 40,637	\$ 164,369
Public Safety	1,944,210	2,649,408	2,353,884	295,524
Public Works	411,675	446,098	366,718	79,380
Community Development	-	-	-	-
Culture and Recreation	265,719	514,226	114,307	399,919
Education	5,155	15,155	-	15,155
Total Capital Outlay	<u>2,789,959</u>	<u>3,829,893</u>	<u>2,875,546</u>	<u>954,347</u>
Total Expenditures	<u>96,570,437</u>	<u>98,294,375</u>	<u>88,604,562</u>	<u>9,689,813</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,360,117	5,344,861	10,681,779	5,336,918
OTHER FINANCING SOURCES (USES)				
Transfers In	1,979,908	2,609,946	2,334,946	(275,000)
Transfers Out	(5,712,392)	(7,943,095)	(7,943,095)	-
Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>(3,732,484)</u>	<u>(5,333,149)</u>	<u>(5,608,149)</u>	<u>(275,000)</u>
NET CHANGE IN FUND BALANCE	2,627,633	11,712	5,073,630	<u>\$ 5,061,918</u>
Fund Balances - Beginning of Year	<u>12,796,809</u>	<u>(5,217,246)</u>	<u>24,416,020</u>	
FUND BALANCES - END OF YEAR	<u>\$ 15,424,442</u>	<u>\$ (5,205,534)</u>	<u>\$ 29,489,650</u>	

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO
GROSS RECEIPTS TAX
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL (GAAP BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 13,055,839	\$ 13,055,839	\$ 23,439,250	\$ 10,383,411
Intergovernmental	-	-	-	-
Fees and Charges for Services	-	-	-	-
Rents, Royalties, and Concessions	-	-	-	-
Investment Income	115,886	115,886	41,227	(74,659)
Other Revenues/Premiums	-	-	-	-
Total Revenues	13,171,725	13,171,725	23,480,477	10,308,752
EXPENDITURES				
General Government:				
Current	-	-	139	(139)
Capital Outlay	-	-	-	-
Total Expenditures	-	-	139	(139)
Excess (Deficiency) of Revenues Over Expenditures	13,171,725	13,171,725	23,480,338	10,308,613
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(14,831,381)	(14,906,381)	(14,906,381)	-
Sale of Capital Assets/Land	-	-	-	-
Total Other Financing Sources (Uses)	(14,831,381)	(14,906,381)	(14,906,381)	-
NET CHANGE IN FUND BALANCE	\$ (1,659,656)	\$ (1,734,656)	8,573,957	\$ 10,308,613
Fund Balances - Beginning of Year			15,853,166	
FUND BALANCES - END OF YEAR			\$ 24,427,123	

See accompanying Notes to Financial Statements.

CITY OF SANTA FE, NEW MEXICO
STATEMENT OF NET POSITION – ENTERPRISE FUNDS
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds							Total	Governmental Activities - Internal Service Funds
	Wastewater Management	Water Management	Environmental Services	Santa Fe Convention Center	College of Santa Fe	Transit Bus System	Nonmajor Enterprise Funds		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES									
Current Assets:									
Cash, Investments, and Cash Equivalents	\$ 40,734,939	\$ 55,019,944	\$ 17,903,661	\$ 6,526,977	\$ 1,506,415	\$ 6,441,518	\$ 7,581,490	\$ 135,714,944	\$ 14,860,703
Restricted Cash, Cash Equivalents, and Investments:									
Restricted for Debt Service Payments	234,051	397,566	122,261	86,126	376	454	148,556	989,390	-
Restricted for Compliance	193,768	-	184,424	-	-	-	-	378,192	-
Grants Receivable	-	642,949	-	-	-	1,945,982	2,871,382	5,460,313	-
Receivable, Net of Allowances:									
State-Shared Taxes	376,991	-	341,485	-	-	-	-	718,476	-
Accounts	1,730,949	4,817,562	1,570,109	-	-	-	1,041,474	9,160,094	99,464
Interest Receivable	32,224	38,161	14,041	5,076	961	5,588	4,874	100,925	47,445
Notes Receivable	174,772	-	-	229,627	-	-	-	404,399	-
Other Receivable	53	66,195	56	-	-	-	3,433	69,737	-
Prepaid Expense	-	351,821	-	-	-	-	-	351,821	-
Due from Other Funds	365,870	801,376	830,000	-	-	-	-	1,997,246	-
Inventory	-	380,471	-	-	-	-	-	380,471	-
Total Current Assets	<u>43,843,617</u>	<u>62,516,045</u>	<u>20,966,037</u>	<u>6,847,806</u>	<u>1,507,752</u>	<u>8,393,542</u>	<u>11,651,209</u>	<u>155,726,008</u>	<u>15,007,612</u>
Capital Assets:									
Land and Water Rights	25,498	5,907,639	-	-	11,164,785	-	24,597,615	41,695,537	-
Buildings and Structures	28,817,899	126,512,488	355,096	48,210,342	42,268,949	7,716,720	74,638,186	328,519,680	-
Sewerlines and Utility Systems	32,164,309	132,839,817	1,044,733	-	-	-	29,820	166,078,679	-
Improvements	31,359,635	43,937,827	1,133,395	336,738	-	1,883,375	76,048,509	154,699,479	-
Furniture and Fixtures	4,370	553,317	4,056	19,543	-	-	53,951	635,237	-
Equipment and Machinery	2,134,176	6,856,298	268,502	595,315	-	1,502,883	6,056,160	17,413,334	6,812
Vehicles	3,286,032	2,085,631	16,481,427	54,531	-	15,976,835	1,150,158	39,034,614	35,829
Intangible Plant	-	-	-	-	-	-	-	-	-
Data Processing Equipment/Software	260,997	1,114,142	80,951	94,117	-	284,685	585,851	2,420,743	113,750
Art	-	-	-	39,000	-	180,971	-	219,971	-
Construction in Progress	16,790,733	6,117,506	-	-	-	722,937	8,060,768	31,691,944	-
Less: Accumulated Depreciation	<u>(80,646,303)</u>	<u>(144,894,643)</u>	<u>(11,960,157)</u>	<u>(14,163,192)</u>	<u>(12,800,496)</u>	<u>(16,478,235)</u>	<u>(90,940,659)</u>	<u>(371,883,685)</u>	<u>(98,005)</u>
Total Capital Assets, Net Accumulated Depreciation	<u>34,197,346</u>	<u>181,030,022</u>	<u>7,408,003</u>	<u>35,186,394</u>	<u>40,633,238</u>	<u>11,790,171</u>	<u>100,280,359</u>	<u>410,525,533</u>	<u>58,386</u>
Deferred Outflows of Resources:									
Unamortized Loss on Refunding Bonds	-	-	-	-	-	-	-	-	-
Deferred Outflows Related to Pension/OPEB Activity	981,795	1,390,654	963,772	248,617	-	1,498,349	1,589,876	6,673,063	1,142,314
Total Deferred Outflows of Resources	<u>981,795</u>	<u>1,390,654</u>	<u>963,772</u>	<u>248,617</u>	<u>-</u>	<u>1,498,349</u>	<u>1,589,876</u>	<u>6,673,063</u>	<u>1,142,314</u>
Total Assets and Deferred Outflows of Resources									
	<u>\$ 79,022,758</u>	<u>\$ 244,936,721</u>	<u>\$ 29,337,812</u>	<u>\$ 42,282,817</u>	<u>\$ 42,140,990</u>	<u>\$ 21,682,062</u>	<u>\$ 113,521,444</u>	<u>\$ 572,924,604</u>	<u>\$ 16,208,312</u>

See accompanying Notes to Financial Statements.

CITY OF SANTA FE, NEW MEXICO
STATEMENT OF NET POSITION – ENTERPRISE FUNDS (CONTINUED)
JUNE 30, 2020

	Business-Type Activities - Enterprise Funds							Total	Governmental Activities - Internal Service Funds
	Wastewater Management	Water Management	Environmental Services	Santa Fe Convention Center	College of Santa Fe	Transit Bus System	Nonmajor Enterprise Funds		
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES									
Current Liabilities:									
Accounts Payable	\$ 215,820	\$ 1,431,237	\$ 186,548	\$ 56,062	\$ 385,070	\$ 159,417	\$ 612,676	\$ 3,046,830	\$ 846,299
Gross Receipts Taxes Payable	57,654	176,382	56,139	-	-	-	6,886	297,061	-
Compensated Absence Payable	276,333	510,478	301,838	36,934	6,021	331,004	360,325	1,822,933	271,105
Accrued Wages Payable	222,371	346,860	214,532	40,524	5,442	360,325	256,126	1,446,180	220,595
Claims and Judgment Payable	-	-	-	-	-	-	-	-	8,030,664
Bonds Payable, Net of Amortized Discounts	2,975,440	1,162,689	1,163,639	2,468,584	-	-	3,030,070	10,800,422	-
Notes Payable	-	873,891	183,050	-	-	850,000	-	1,906,941	-
Accrued Interest Payable	70,314	124,844	15,392	48,910	64,418	4,024	54,832	382,734	-
Unearned Revenue	-	-	-	-	16,667	1,847,444	119,902	1,984,013	-
Pooled Cash - Cash Overdrawn	-	-	-	-	-	-	-	-	-
Other Liabilities	-	2,582,555	252,906	-	-	-	679	2,836,140	-
Due to Other Funds	39,235	-	-	-	-	-	-	39,235	-
Customer Deposits Payable	13,300	2,190,107	-	179,974	23,332	14	71,858	2,478,585	-
Total Current Liabilities	3,870,467	9,399,043	2,374,044	2,830,988	500,950	3,552,228	4,513,354	27,041,074	9,368,663
Noncurrent Liabilities:									
Bonds Payable, Net of Unamortized Discounts	17,557,409	36,063,359	2,308,639	22,287,285	-	-	19,517,493	97,734,185	-
Notes Payable	-	8,545,066	577,771	-	22,810,000	1,016,447	1,380,000	34,329,284	-
Compensated Absences Payable	-	-	-	-	-	-	-	-	-
Net Pension Liability	5,692,853	8,062,596	5,588,316	1,441,553	-	8,687,027	9,257,048	38,729,393	6,623,606
Net OPEB Liability	1,883,221	2,669,375	1,848,718	476,947	-	2,876,004	2,976,178	12,730,443	2,191,146
Total Noncurrent Liabilities	25,133,483	55,340,396	10,323,444	24,205,785	22,810,000	12,579,478	33,130,719	183,523,305	8,814,752
Total Liabilities	29,003,950	64,739,439	12,697,488	27,036,773	23,310,950	16,131,706	37,644,073	210,564,379	18,183,415
Deferred Inflows of Resources:									
Unamortized Gain on Refunding of Bonds	56,965	-	-	-	-	-	61,665	118,630	-
Deferred Inflows Related to Pension/OPEB Activity	1,574,750	2,231,715	1,545,884	398,809	-	2,404,487	2,504,779	10,660,424	1,832,231
Total Deferred Inflows of Resources	1,631,715	2,231,715	1,545,884	398,809	-	2,404,487	2,566,444	10,779,054	1,832,231
Net Position:									
Net Investment in Capital Assets	13,607,532	143,803,974	3,935,725	10,430,525	40,633,238	11,790,171	77,671,131	301,872,296	58,386
Restricted for Debt Service	234,051	397,566	122,261	86,126	376	454	148,556	989,390	-
Restricted for Compliance	193,768	-	184,424	-	-	-	-	378,192	-
Unrestricted	34,351,742	33,764,027	10,852,030	4,330,584	(21,803,574)	(8,644,756)	(4,508,760)	48,341,293	(3,865,720)
Total Net Position	48,387,093	177,965,567	15,094,440	14,847,235	18,830,040	3,145,869	73,310,927	351,581,171	(3,807,334)
Total Liabilities, Deferred Inflows, and Net Position	\$ 79,022,758	\$ 244,936,721	\$ 29,337,812	\$ 42,282,817	\$ 42,140,990	\$ 21,682,062	\$ 113,521,444	\$ 572,924,604	\$ 16,208,312

See accompanying Notes to Financial Statements.

CITY OF SANTA FE, NEW MEXICO
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION – ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds								Governmental Activities - Internal Service Funds
	Wastewater Management	Water Management	Environmental Services	Santa Fe Convention Center	College of Santa Fe	Transit Bus System	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES									
User Fees, Net of Allowance	\$ 14,227,993	\$ 36,165,883	\$ 12,919,405	\$ 325,155	\$ -	\$ 250,351	\$ 7,716,176	\$ 71,604,963	\$ -
Facilities Rentals	164,134	151,238	266,000	12,602	586,364	-	705,041	1,885,379	-
Other Revenues/Premiums	18,156	672,603	12,599	10,211	2,575	130,962	1,366,169	2,213,275	953,208
Premiums	-	-	-	-	-	-	-	-	36,816,333
Total Operating Revenues	<u>14,410,283</u>	<u>36,989,724</u>	<u>13,198,004</u>	<u>347,968</u>	<u>588,939</u>	<u>381,313</u>	<u>9,787,386</u>	<u>75,703,617</u>	<u>37,769,541</u>
OPERATING EXPENSES									
Salaries, Wages, and Fringe Benefits	3,897,936	3,137,182	3,818,167	1,164,405	80,341	8,363,523	7,185,015	27,646,569	5,614,653
Contractual Services and Utilities	878,618	2,888,578	3,206,836	293,738	718,424	200,192	2,007,497	10,193,883	2,947,846
Repairs and Maintenance	515,426	778,440	470,824	75,532	1,427,726	397,980	405,789	4,071,717	408,499
Supplies	643,430	886,041	400,156	122,278	-	318,184	506,673	2,876,762	1,996,204
Capital Outlay - Inventory-Exempt Items	-	-	288,087	457,255	14,177	3,952	135,948	899,419	1,231,318
Depreciation Expense	2,075,509	13,310,423	722,054	1,055,831	1,687,943	1,526,612	5,569,803	25,948,175	34,626
Insurance	307,707	266,810	387,473	31,262	-	301,541	271,159	1,565,952	2,591,861
Claims and Judgments	-	-	-	-	-	-	-	-	27,168,773
Other	753,063	13,050,764	2,684,782	519,066	-	1,655,489	2,035,588	20,698,752	251,180
Total Operating Expenses	<u>9,071,689</u>	<u>34,318,238</u>	<u>11,978,379</u>	<u>3,719,367</u>	<u>3,928,611</u>	<u>12,767,473</u>	<u>18,117,472</u>	<u>93,901,229</u>	<u>42,244,960</u>
Operating Income (Loss)	<u>5,338,594</u>	<u>2,671,486</u>	<u>1,219,625</u>	<u>(3,371,399)</u>	<u>(3,339,672)</u>	<u>(12,386,160)</u>	<u>(8,330,086)</u>	<u>(18,197,612)</u>	<u>(4,475,419)</u>
NONOPERATING REVENUES (EXPENSES)									
Investment Income	277,930	278,395	139,659	34,424	5,298	41,330	64,283	841,319	88,925
Intergovernmental:									
State-Shared Taxes	2,306,561	-	2,596,408	-	-	-	-	4,902,969	-
Federal	-	-	-	-	-	-	902,823	902,823	-
State	-	-	-	11,875	-	34,019	1,957,306	2,003,200	-
Gain (Loss) on Sale of Capital Assets	-	(2,414)	-	-	-	-	(40,320)	(42,734)	-
Interest Expense	(614,123)	(1,325,690)	(47,250)	(770,500)	(789,012)	(52,825)	(751,270)	(4,350,670)	-
Other Nonoperating Revenue (Expense)	(1,499)	(27,179)	(1,567)	(19,424)	(229,598)	(3,296)	(112,403)	(394,966)	-
Total Nonoperating Revenues (Expenses)	<u>1,968,869</u>	<u>(1,076,888)</u>	<u>2,687,250</u>	<u>(743,625)</u>	<u>(1,013,312)</u>	<u>19,228</u>	<u>2,020,419</u>	<u>3,861,941</u>	<u>88,925</u>
Income (Loss) Before Transfers and Capital Contributions	<u>7,307,463</u>	<u>1,594,598</u>	<u>3,906,875</u>	<u>(4,115,024)</u>	<u>(4,352,984)</u>	<u>(12,366,932)</u>	<u>(6,309,667)</u>	<u>(14,335,671)</u>	<u>(4,386,494)</u>
Transfers:									
Transfers In	-	-	-	4,411,227	3,523,959	7,376,662	8,676,624	23,988,472	7,844,700
Transfers Out	-	(95,400)	(249,245)	-	(64,000)	-	(710,911)	(1,119,556)	(7,859,576)
Change in Net Position	<u>7,307,463</u>	<u>1,499,198</u>	<u>3,657,630</u>	<u>296,203</u>	<u>(893,025)</u>	<u>(4,990,270)</u>	<u>1,656,046</u>	<u>8,533,245</u>	<u>(4,401,370)</u>
Total Net Position - Beginning of Year	<u>41,079,630</u>	<u>176,466,369</u>	<u>11,436,810</u>	<u>14,551,032</u>	<u>19,723,065</u>	<u>8,136,139</u>	<u>71,654,881</u>	<u>343,047,926</u>	<u>594,036</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 48,387,093</u>	<u>\$ 177,965,567</u>	<u>\$ 15,094,440</u>	<u>\$ 14,847,235</u>	<u>\$ 18,830,040</u>	<u>\$ 3,145,869</u>	<u>\$ 73,310,927</u>	<u>\$ 351,581,171</u>	<u>\$ (3,807,334)</u>

See accompanying Notes to Financial Statements.

CITY OF SANTA FE, NEW MEXICO
STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2020

Business-Type Activities - Enterprise Funds									
	Wastewater Management	Water Management	Environmental Services	Santa Fe Convention Center	College of Santa Fe	Transit Bus System	Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash Received from Customers	\$ 13,970,982	\$ 52,560,626	\$ 13,171,332	\$ 354,878	\$ 605,606	\$ 381,313	\$ 9,868,230	\$ 90,912,967	\$ 37,670,077
Cash Payments to Suppliers for Goods and Services	(3,246,555)	(28,578,930)	(7,777,958)	(1,574,761)	(2,002,046)	(976,705)	(6,574,262)	(50,731,217)	(36,246,766)
Cash Payments to Employees for Services	(4,182,085)	(5,632,918)	(4,023,061)	(1,033,310)	(76,745)	(6,907,567)	(6,591,424)	(28,447,110)	(4,589,129)
Cash Paid for Interfund Services Provided	(2,223,915)	-	(626,015)	-	-	-	-	(2,849,930)	-
Net Cash Provided (Used) by Operating Activities	4,318,427	18,348,778	744,298	(2,253,193)	(1,473,185)	(7,502,959)	(3,297,456)	8,884,710	(3,165,818)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Intergovernmental Taxes and Grants	2,375,252	-	2,661,532	11,875	-	453,124	3,198,495	8,700,278	-
Transfers In from Other Funds	-	-	-	4,411,227	3,523,959	7,376,662	8,676,624	23,988,472	7,844,700
Transfers Out to Other Funds	-	(95,400)	(249,245)	-	(64,000)	-	(710,911)	(1,119,556)	(7,859,576)
Interfund Loan	-	-	-	-	-	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	2,375,252	(95,400)	2,412,287	4,423,102	3,459,959	7,829,786	11,164,208	31,569,194	(14,876)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Acquisition and Construction of Capital Assets	(8,450,949)	(7,666,247)	(2,155,721)	(42,182)	-	(2,286,091)	(4,380,430)	(24,981,620)	(19,494)
Principal Paid on Revenue Bond Maturities and Notes Payable	(2,060,301)	(2,001,581)	(1,261,818)	(2,299,279)	(515,000)	(287,358)	(1,518,821)	(9,944,158)	-
Interest Paid on Revenue Bonds and Notes Payable	(1,253,783)	(1,359,322)	(53,411)	(777,205)	(1,068,441)	(56,722)	(880,021)	(5,448,905)	-
Other Uses - Bond Refunding	-	-	-	-	-	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(11,765,033)	(11,027,150)	(3,470,950)	(3,118,666)	(1,583,441)	(2,630,171)	(6,779,272)	(40,374,683)	(19,494)
CASH FLOWS FROM INVESTING ACTIVITIES									
Interest and Dividends on Investments	342,176	415,673	167,676	34,788	8,968	57,326	74,099	1,100,706	89,891
Net Cash Provided (Used) by Investing Activities	342,176	415,673	167,676	34,788	8,968	57,326	74,099	1,100,706	89,891
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS									
	(4,729,178)	7,641,901	(146,689)	(913,969)	412,301	(2,246,018)	1,161,579	1,179,927	(3,110,297)
Cash, Investments, and Cash Equivalents - Beginning of Year	45,891,936	47,775,609	18,357,035	7,527,072	1,094,490	8,687,990	6,568,467	135,902,599	17,971,000
CASH, INVESTMENTS, AND CASH EQUIVALENTS - END OF YEAR									
	<u>\$ 41,162,758</u>	<u>\$ 55,417,510</u>	<u>\$ 18,210,346</u>	<u>\$ 6,613,103</u>	<u>\$ 1,506,791</u>	<u>\$ 6,441,972</u>	<u>\$ 7,730,046</u>	<u>\$ 137,082,526</u>	<u>\$ 14,860,703</u>
Cash, Investments, and Cash Equivalents	\$ 40,734,939	\$ 55,019,944	\$ 17,903,661	\$ 6,526,977	\$ 1,506,415	\$ 6,441,518	\$ 7,581,490	\$ 135,714,944	\$ 14,860,703
Restricted for Debt Service Payments	234,051	397,566	122,261	86,126	376	454	148,556	989,390	-
Restricted for Compliance	193,768	-	184,424	-	-	-	-	378,192	-
	<u>\$ 41,162,758</u>	<u>\$ 55,417,510</u>	<u>\$ 18,210,346</u>	<u>\$ 6,613,103</u>	<u>\$ 1,506,791</u>	<u>\$ 6,441,972</u>	<u>\$ 7,730,046</u>	<u>\$ 137,082,526</u>	<u>\$ 14,860,703</u>

See accompanying Notes to Financial Statements.

CITY OF SANTA FE, NEW MEXICO
STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds							Governmental Activities - Internal Service Funds	
	Wastewater Management	Water Management	Environmental Services	Santa Fe Convention Center	College of Santa Fe	Transit Bus System	Nonmajor Enterprise Funds		Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES									
Operating Income (Loss)	\$ 5,338,594	\$ 2,671,486	\$ 1,219,625	\$ (3,371,399)	\$ (3,339,672)	\$ (12,386,160)	\$ (8,330,086)	\$ (18,197,612)	\$ (4,475,419)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Depreciation/Amortization/Bad Debt Expense	2,075,509	13,310,423	722,054	1,055,831	1,687,943	1,526,612	5,569,803	25,948,175	34,626
Difference between Deferred Outflows Related to Pensions and OPEB	551,932	1,255,763	557,232	95,201	-	536,562	701,903	3,698,593	1,475,306
Difference between Deferred Inflows Related to Pensions and OPEB	276,592	101,318	280,928	99,017	-	724,181	612,536	2,094,572	(1,132,058)
Difference Between Net Pension/OPEB Liability	(1,089,054)	(3,878,603)	(1,086,392)	(51,304)	-	197,252	(566,734)	(6,474,835)	725,707
Change in Assets and Liabilities:									
(Increase) Decrease in Accounts Receivable	(78,370)	(930,476)	(26,616)	-	-	-	44,417	(991,045)	(99,464)
(Increase) Decrease in Other Receivable	(53)	(66,195)	(56)	-	-	-	2,452	(63,852)	-
(Increase) Decrease in Prepaid Expenses	180,058	(95,979)	-	236,964	-	-	33,975	355,018	-
(Increase) Decrease in Due from Other Funds	(365,870)	3,337,611	(626,015)	-	-	-	-	2,345,726	-
Increase (Decrease) in Accounts Payable	(1,945,750)	363,825	(185,604)	(69,668)	134,949	53,189	277,376	(1,371,683)	(120,838)
Increase (Decrease) in Gross Receipts Tax Payable	(1,959)	27,959	3,414	-	-	-	(69,023)	(39,609)	-
Increase (Decrease) in Compensated Absences Payable	(72,728)	(27,147)	(4,134)	(11,380)	2,225	(109,080)	(143,145)	(365,389)	9,775
Increase (Decrease) in Accrued Wages Payable	49,109	52,933	47,472	(439)	1,371	107,041	(10,969)	246,518	(150,106)
Increase (Decrease) in Other Liabilities	(424,917)	2,423,203	(157,610)	-	-	1,847,444	(1,469,261)	2,218,859	-
Increase (Decrease) Customer Deposits	400	(212,862)	-	(5,962)	23,332	-	20,939	(174,153)	-
Increase (Decrease) Unearned Revenue	(175,066)	-	-	(230,054)	16,667	-	28,361	(360,092)	-
(Increase) Decrease in Inventory	-	15,519	-	-	-	-	-	15,519	-
Increase (Decrease) in Claims Payable	-	-	-	-	-	-	-	-	566,653
Increase (Decrease) in Due to Other Funds	-	-	-	-	-	-	-	-	-
Total Adjustments	<u>(1,020,167)</u>	<u>15,677,292</u>	<u>(475,327)</u>	<u>1,118,206</u>	<u>1,866,487</u>	<u>4,883,201</u>	<u>5,032,630</u>	<u>27,082,322</u>	<u>1,309,601</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 4,318,427</u>	<u>\$ 18,348,778</u>	<u>\$ 744,298</u>	<u>\$ (2,253,193)</u>	<u>\$ (1,473,185)</u>	<u>\$ (7,502,959)</u>	<u>\$ (3,297,456)</u>	<u>\$ 8,884,710</u>	<u>\$ (3,165,818)</u>

See accompanying Notes to Financial Statements.

CITY OF SANTA FE, NEW MEXICO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Agency Funds</u>
ASSETS	
Cash:	
Santa Fe Solid Waste Management Agency	\$ 15,094,234
Buckman Direct Diversion Project	898,082
Sick Leave Bank	<u>722,133</u>
Total Assets	<u><u>\$ 16,714,449</u></u>
LIABILITIES	
Deposits Held for Others:	
Santa Fe Solid Waste Management Agency	\$ 15,094,234
Buckman Direct Diversion Project	898,082
Sick Leave Bank	<u>722,133</u>
Total Liabilities	<u><u>\$ 16,714,449</u></u>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Santa Fe (the City) is a municipal corporation governed by an elected mayor and an eight-member council. The accompanying financial statements present the government as an entity for which the City is considered to be financially accountable. The City has no component units or blended component units that are legally separate entities.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual enterprise funds are reported as separate columns in the basic fund financial statement. The City has three fiduciary funds, Buckman, SWAMA and a Union Sick Leave Bank. As the Fiscal Agent for both Buckman and SWAMA the City has Fiduciary responsibilities to these entities. As a convenience to Union City employees, the Finance Department tracks and communicates Sick Leave Bank balances available for Union employee use.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions should be recognized when the related purpose restriction, eligibility requirement, or time requirement is met. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property tax receivables are recognized in the period for which the taxes are levied, net of estimated refunds and uncollectible amounts. Unavailable revenues are classified as a deferred inflow of resources.

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- The *Gross Receipts Tax Fund* is a special revenue fund used to account for the City's portion of gross receipts taxes collected by the State of New Mexico per Ordinance No. 1981-45. These proceeds are used for various City functions. "Section 7-9-10 to 18 NMSA 1978."

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The City reports the following major proprietary funds:

- The Waste Water Management Fund accounts for the operation of the City's waste water treatment and sewage system.
- The Water Management Fund accounts for the activities of the City's water supply, transmission, and distribution systems.
- The Environmental Services Fund accounts for the operation of the City's solid waste collection service.
- The Transit Bus System accounts for the operation of the City's public bus system and trails.
- The Santa Fe Convention Center Fund (formerly known as Sweeney Convention Center) accounts for the operation of the City's convention center.
- The College of Santa Fe fund accounts for the lease operations, debt service, and construction activities associated with the City's purchase of the college from a not-for-profit corporation and subsequent lease to Laureate Education Inc. in September of 2009.

Additionally, the City reports the following fund types:

- Internal service funds account for the City's Risk Management Fund, Health Fund/Dental Fund, Unemployment fund, Services to Other Funds, and Workers' Compensation Fund. These funds account for services provided to City departments on a cost reimbursement basis.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the utilities functions and insurance functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal serve funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Assets, Liabilities, and Net Position or Equity

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

City funds are invested in accordance with New Mexico State Statute 6-10-10, and with the City of Santa Fe Investment Policy, which states:

City funds shall be invested in accordance with New Mexico Statute 6-10-10 and shall be equitably distributed among all banks and credit unions having their main or manned branch offices within the municipal boundaries and who are interested in doing business with the City, as directed by Statute 6-10-10, Paragraph C. Collateralization will be required on all deposits in excess of amounts insured by the Federal Deposit Insurance Corporation, or the National Credit Union Association. The collateralization level will be one hundred two percent of the market value of principal, per City of Santa Fe Investment Policy. The City will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments or individual financial institutions and limit maturities to five years or less to avoid interest rate risk. Certain investments may be held to accommodate debt reserve requirements may have maturities in excess of five years.

The Investment Policy provides for the following authorized investments:

- United States Treasury Securities (Bills, Notes, and Bonds).
- Insured and/or collateralized (with securities of the U.S. Government, its agencies or instrumentalities, municipal securities, or Letters of Credit from the Federal Home Loan Bank of Dallas) checking or savings accounts, or certificates of deposit of banks or credit unions, pursuant to State Board of Finance Collateral Policies.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

Deposits and Investments (Continued)

- Other securities issued by the United States government or its agencies or instrumentalities that are either direct obligations of the United States, the Federal Home Loan Mortgage Corp., the Federal National Mortgage Assoc., the Federal Home Loan Bank, or the Federal Farm Credit Bank, or are backed by the full faith and credit of the United States Government.
- Money market funds that are registered with the SEC, carried an AAA rating and maintain total asset size, invest entirely in U.S. government and/or U.S. government agency securities (as defined above), and maintain total asset size of not less than \$100,000,000.
- Bonds or negotiable securities of the State of New Mexico or of any county, municipality or school district which has a taxable valuation of real property of at least one million dollars and has not defaulted in payment of interest or sinking fund obligations or failed to pay any bonds at maturity at any time within the past five years and is rated AA equivalent or better on purchase date. Reasonable prudent measures will be taken to liquidate an investment that is downgraded to less than the required minimum rating.
- Investments in the New Mexico Local Government Investment Pool (NM LGIP)
 - The investments are valued at fair value based on quoted market prices as of the evaluation date;
 - The NM LGIP is not SEC registered, but does maintain an AAA rating (highest rating for pools) from Standard and Poor's. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments;
 - The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the accounting entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested; and
 - Participation in the Local Government Investment Pool is voluntary.
- Repurchase agreements and forward purchase agreements with equivalent collateral of at least one hundred two percent of the market value of the securities plus accrued interest.

Interest earnings on pooled investments are distributed annually to participating funds based on the average of beginning and ending balances. Investments for the City are stated at fair market value.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

Receivables and Payables

Activity between funds that are representative of lending/borrowing agreements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are also reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds are classified as nonspendable fund balance in the general fund to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectible accounts that is based on historical collections data.

Property taxes are levied and collected by the Santa Fe County Treasurer on behalf of the City. Property taxes are levied in November and are payable in two installments. The first half is due on November 10 and becomes delinquent on December 10. The second half is due on April 10 and becomes delinquent on May 11, which is the lien date. Taxes are considered delinquent and subject to lien, penalty, and interest, 30 days after the date on which they are due. Interest at the rate of 1 percent per month is incurred on installments following the delinquency date. By July 1 of each year, the County Treasurer prepares a property tax delinquency list of all property for which taxes have been delinquent for more than two years. The Taxation and Revenue Department receives the tax delinquency list and has the responsibility to take all action necessary to collect the taxes. The real property on which the taxes are assessed shall be offered for sale four years after the first date shown on the delinquency list. The County remits monthly to the City a percentage of the collections made during that period. The percentage is calculated by the County based upon the amounts collected, the mill levy, and the proportion of City taxpayers to the County as a whole.

Inventories and Prepaid Items

Inventories are valued at cost, which approximates market value using the first-in, first-out (FIFO) method. Expenditures in governmental funds and expenses in proprietary funds are recorded as the inventory items are consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

Inventories and Prepaid Items (Continued)

The City of Santa Fe is a party to a contract with the Bureau of Reclamation, United States of America which provides certain rights to purchase water from the San Juan Chama renewable water resource system. Per contract dating from 1976 and made permanent in 2006, the City of Santa Fe has rights to purchase 5,230 acre feet per year from the San Juan Chama system for which it pays a predetermined rate. The City may utilize the water in the year it purchases it or in a later year if utilization does not match the annual amount purchased. Amounts acquired in excess of those amounts utilized are recorded as prepaid water assets in the statement of net position. The amount recorded on June 30, 2020 was \$351,821.

Restricted Assets

Certain proceeds of bonds and loans, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. In addition, certain resources are restricted for post closure requirements in the water and wastewater utilities.

Capital Assets

Capital assets, which include property, plant, furniture, art, software, equipment, vehicles, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets, if purchased or constructed, are recorded at historical costs or estimated historical cost if original cost was not available. Donated capital assets are recorded at acquisition value at the date of donation. City land acquired prior to 1987 was primarily by land grant or donation and is estimated to be 4,217 acres. Because original values are unknown, the parcels are valued at one dollar each.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

Capital Assets (Continued)

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

Item	Years	Item	Years
Buildings	50	Vehicles	8
Waste Water Plant	20-25	Equipment and Machinery	4-10
Improvements	10	Sewerlines and Utility Systems	25
Furniture and Fixtures	10	Software	10
Data Processing Equipment	3	Solid Waste Trucks	4
Streets	25	Sewer Rodder/Vactors	10
Traffic Signals	10	Bridges	25

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory hours, and sick pay benefits. There is a liability for these benefits since the City has a policy to pay any amount when the employee has earned the benefits. All vacation and compensatory hours are accrued when incurred in the government-wide and proprietary fund financial statements. The sick leave liability is calculated using the vesting method. The City's employees can utilize these balances for early retirement or buy out options or donate the hours to a sick leave bank to be used by other employees.

Pensions/Other Post-Employment Benefits (OPEB)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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.

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.

CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statement, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance

Fund balances of the governmental funds are reported in the order of spending first committed fund balance, then assigned fund balance, and finally, unassigned fund balance, and are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. Enabling legislation includes a legally enforceable requirement that resources be used only for specific purposes stipulated in the legislation. Legal enforceability means the government can be impelled by an external party to use resources for the purpose specified by the legislation.

Committed - amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City that can, by adoption of a resolution commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned - amounts that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed. The City has not established a policy regarding the assignment of funds, so this category of fund balance represents the residual amounts not otherwise reported as nonspendable, restricted, or committed in governmental funds outside of the general fund.

Unassigned - all other spendable amounts. The general fund should be the only fund that reports a positive unassigned fund balance amount.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

Fund Balance (Continued)

<u>Fund Balance Purpose</u>	General	Debt Service	Gross Receipts Tax	Nonmajor Governmental Funds	Total
NONSPENDABLE					
Inventory	\$ 46,435	\$ -	\$ -	\$ -	\$ 46,435
Endowment				255,656	255,656
Restricted:					
Restricted General Government	28,584,156			3,679,301	32,263,457
Restricted Debt Service		3,626,991		-	3,626,991
Restricted Public Safety				3,749,988	3,749,988
Restricted Public Works				18,111,739	18,111,739
Restricted Community Development				4,442,293	4,442,293
Restricted Culture and Recreation				2,935,139	2,935,139
Committed:					
Committed General Government				1,091,733	1,091,733
Committed Culture and Recreation				964,160	964,160
Assigned:					
Assigned General Government			24,427,123	6,036,083	30,463,206
Assigned Public Safety				1,729,430	1,729,430
Assigned Public Works				5,163,651	5,163,651
Assigned Community Development				932,662	932,662
Assigned Culture and Recreation				4,040,533	4,040,533
Unassigned:					
Unassigned General Government	859,059			(10,241,481)	(9,382,422)
Unassigned Public Safety				(2,154)	(2,154)
Unassigned Public Works				(7,203)	(7,203)
Unassigned Community Development				(16,096)	(16,096)
Total	<u>\$ 29,489,650</u>	<u>\$ 3,626,991</u>	<u>\$ 24,427,123</u>	<u>\$ 42,865,434</u>	<u>\$ 100,409,198</u>

Net Position

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

Net Investment in Capital Assets is intended to reflect the portion of net position which is associated with capital assets, net of accumulated depreciation, less outstanding capital asset related debt.

Restricted position for the City's bond issues, as defined in the associated bond covenants, are used for the payment of debt service (one-twelfth of principal, interest or both), and to fund reserve accounts to be used for final debt service payments. In addition, the City maintains fund balance compliance for post closure and obtains loans from authorized State agencies for capital projects, the loan documents of which occasionally require a debt service fund containing capitalized interest used for semi-annual debt service payments, and a reserve fund for use as the final debt service payment. The City also has received privately donated endowment funds for the Southside Library, expenditure of which is limited to interest by the donor and by City resolution. Unrestricted Net Position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

The City allocates expenses to restricted or unrestricted resources based on the budgeted source of funds. It is the City's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Equity (Continued)

Use of Estimates

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets for governmental funds are adopted based on generally accepted accounting principles (GAAP basis). Annual budgets for proprietary funds are adopted on a basis other than generally accepted accounting principles. Depreciation is not budgeted for enterprise funds. All annual appropriations lapse at the fiscal year end.

The City is required to submit a proposed budget, which has been approved by the governing body, for each fiscal year on or before June 1st with the State of New Mexico Local Government Division of the Department of Finance and Administration. Before July 1, the Local Government Division approves and certifies an operating budget for use pending approval of the final budget. Prior to the first Monday in September, the Local Governmental Division must certify a final budget for the municipality.

Because the Non-GAAP basis of accounting is not the generally accepted accounting method for propriety funds, differences result from budgeting for various items. Reconciliations between the budget basis (Non-GAAP) and GAAP basis are provided in the budgetary schedules.

The Local Government Division must also approve the following changes throughout the fiscal year:

- budget increases;
- transfers of budget between funds;
- transfers of cash, both permanent and temporary, between funds; and
- any combination of the above.

New Mexico state law prohibits municipalities from making expenditures in excess of the approved expenditures. State law mandates that municipalities develop and operate within the confines of a balanced budget. The total amount which the governing body appropriates in any particular fiscal year cannot exceed the probable amount of money available at the beginning of the year (cash balance or reserves) plus anticipated revenues during the fiscal year. As required by the state, the City prepares a budget for all fund types.

CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

The appropriated budget is prepared by fund, function, and division. All amendments to the appropriated budget require City Council approval. The City Manager may approve budget amendment increases or decreases of appropriations up to \$60,000. The Finance Director may approve budget amendment increases or decreases up to \$5,000. The amendments below the \$60,000 threshold are ratified by City Council at the end of each quarter. Budget amendments in excess of \$60,000 require Council approval. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is at the function level for the general fund; the fund level for special revenue and capital improvement funds; and at the division level for the proprietary funds. The City Council approved supplemental budgetary appropriations during the fiscal year, primarily for new grant awards and additional project amounts, which did not materially affect cash reserves of related funds.

Encumbrance accounting is employed in all funds. Encumbrances (purchase orders, contracts and other commitments for the expenditure of resources) outstanding at year end are re-appropriated by request to the new fiscal year and do not constitute expenditures or liabilities because the commitments will be part of the following years budget and honored during that following year.

Deficit Fund Equity

The Internal Service funds have a combined deficit fund balance of \$3,807,334. This deficit is due to the accrual of accounts payable at the end of the year.

NOTE 3 CASH AND CASH EQUIVALENTS

At year-end, the carrying amount of deposits for the City of Santa Fe was \$11,689,343 and the year-end bank balance was \$16,076,832. The total of demand deposits and short-term certificates of deposit were covered by Federal Depository Insurance, by collateral held by the City's agent in the City's name, by letters of credit from the Federal Home Loan Bank of Dallas purchased by the depository institution, or by collateral held at appropriate custodial banks as delivered by the depository institution for the various certificates of deposit and investment accounts other than those held by the City's agent bank. The City's repurchase sweep account, the underlying investments of which are U.S. Government securities, is also subject to collateralization requirements.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 INVESTMENTS

As of June 30, 2020, the City had the following investments and maturities:

	Fair Value	Maturities		
		Less than 1 Year	1 - 3 Years	3 - 5 Years
U.S. Government Agency	\$ 50,330,950	\$ 50,330,950	\$ -	\$ -
Money Market Funds*	206,993,935	\$ 50,330,950	\$ -	\$ -
Total	<u>\$ 257,324,885</u>			

Interest Rate Risk

The primary risk the City faces is in the management of the portfolio. The investment policy limits the City's exposure to interest rate risk by limiting the maximum maturity of securities to five years and certificates of deposits to three years. The City uses duration as its measure of interest rate risk.

Credit Risk

With the adoption of the new investment policy in December 2016, the City incorporated provisions in New Mexico State Statute 6-10-10 (G) 1 and 2. The City makes direct investments in U.S. Government U.S. Agency securities, or New Mexico issued municipal bonds rated AA or better. The City also invests in investment pools authorized in 6-10-10 (G) 1 and 2, which have credit exposure to Commercial Paper, Corporate Bonds, and Asset Backed Securities.

Concentration of Credit Risk

The City's investment policy specifies that the City shall diversify its investments to avoid a concentration of any one issuer, with the exception of the U.S. Treasury securities, in which the City may invest 100% of the Portfolio.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 INVESTMENTS (CONTINUED)

Concentration of Credit Risk (Continued)

The following table lists the fair value of investments in securities, money markets and the NM LGIP, as well as balances in savings accounts and certificates of deposit in the City's portfolio as of June 30, 2020. It includes funds and investments of those external agencies for which the City acts as fiscal agent, but excludes the regular operating accounts.

Investment Type	Fair Value	% of Total	% Callable	WAMC/M (Days)	WAM (Days)	S&P Rating	Moody's Rating
Blackrock Prime Money Market	\$ 25,347,413	9.43 %		25	25	AAAm	Aaa-mf
Fidelity Prime Money Market	26,365,259	9.81		20	20	AAAm	Aaa-mf
JP Morgan Prime Money Market	26,966,052	10.03		18	18	AAAm	Aaa-mf
Wells Fargo Gov't Money Market	128,315,211	47.74		25	25	AAAm	Aaa-mf
Subtotal Pool/MM	<u>206,993,935</u>	<u>77.02</u>					
US Agencies:							
FFCB	30,222,900	11.25	- %	550	550	AA+	AAA
FHLB	10,039,850	3.74	-	339	399	AA+	AAA
FHLMC	5,067,000	1.89	-	137	137	AA+	AAA
Fed AGRIC	5,001,200	1.86	-	683	683	AA+	AAA
Subtotal Fed. Agency	<u>50,330,950</u>	<u>18.73</u>	<u>-</u>				
Cash Accounts	10,660,310	3.97					
CDs	<u>777,269</u>	<u>0.29</u>		136	136		
Total Investment Portfolio	<u>\$ 268,762,464</u>	<u>100.00 %</u>	<u>100.00 %</u>	-	-		

The City's investment portfolio's effective duration at June 30, 2020 was .338 years and its modified duration was .358 years. Effective duration accounts for the changes to bond prices that include options, such as a call provision. Money Market Funds, savings accounts, NM LGIP and cash accounts have no duration and these funds represent 53% of the total portfolio. U.S. Government and US Agency, New Mexico municipal securities and certificates of deposits comprise 47 percent of the portfolio.

The City held uninsured deposits of \$15,776,832 at June 30, 2020, of which 83% resided at Wells Fargo Bank, the City's fiscal agent bank. All uninsured funds were collateralized in compliance with State of New Mexico statute. For purposes of collateral, these bank accounts include operating accounts, certificates of deposit and investment accounts.

	Uninsured Cash Balance	%
Wells Fargo Bank	<u>\$ 11,689,343</u>	<u>100.00 %</u>
Total Collateralized	<u>\$ 11,689,343</u>	<u>100.00 %</u>

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 INVESTMENTS (CONTINUED)

Fair Value Measurement

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level within the fair value hierarchy, the City's assets at fair value as of June 30, 2020:

	Level 1	Level 2	Level 3	Total
U.S. Government Agency	\$ 50,330,950	\$ -	\$ -	\$ 50,330,950
Money Markets	206,993,935	-	-	206,993,935

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 INVESTMENTS (CONTINUED)

Receivables

Receivables at June 30, 2020 for the City's individual major funds, non-major and internal service funds are separated into government and business type, including the applicable allowances for uncollectible accounts, and are as follows:

Governmental Activities

	General Fund	Debt Service	Gross Receipts Tax	Other Nonmajor Funds	Total
RECEIVABLES					
Taxes	\$ 11,088,901	\$ -	\$ 3,465,407	\$ 2,269,415	\$ 16,823,723
Grants	45,553	-	-	2,414,078	2,459,631
Interest	15,661	2,944	4,583	37,166	60,354
Ambulance	3,615,913	-	-	-	3,615,913
Other Revenues	277,929	-	-	8,464,836	8,742,765
Gross Receivables	15,043,957	2,944	3,469,990	13,185,495	31,702,386
Less: Uncollectible Allowance	(3,346,566)	-	-	(1,423,813)	(4,770,379)
Total Primary Government	<u>\$ 11,697,391</u>	<u>\$ 2,944</u>	<u>\$ 3,469,990</u>	<u>\$ 11,761,682</u>	<u>\$ 26,932,007</u>

Business-Type Activities

	Waste- Water Mgmt.	Water Mgmt.	Environmental Services	Santa Fe Convention Center	College of Santa Fe	Transit Bus Services	All Other Enterprise Funds	Total
RECEIVABLES								
Taxes	\$ 376,991	\$ -	\$ 341,485	\$ -	\$ -	\$ -	\$ -	\$ 718,476
Grants	-	642,949	-	-	-	1,945,982	2,871,382	5,460,313
Accounts	1,913,896	4,817,562	1,740,185	-	-	-	1,450,349	9,921,992
Interest	32,224	38,161	14,041	5,076	961	5,588	4,874	100,925
Other Receivable	174,825	66,195	56	229,627	-	195,000	3,433	669,136
Gross Receivables	2,497,936	5,564,867	2,095,767	234,703	961	2,146,570	4,330,038	16,870,842
Less: Uncollectible Allowance	(182,947)	-	(170,076)	-	-	(195,000)	(408,875)	(956,898)
Total Business-Type	<u>\$ 2,314,989</u>	<u>\$ 5,564,867</u>	<u>\$ 1,925,691</u>	<u>\$ 234,703</u>	<u>\$ 961</u>	<u>\$ 1,951,570</u>	<u>\$ 3,921,163</u>	<u>\$ 15,913,944</u>

CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 169,939,946	\$ -	\$ -	\$ 169,939,946
Construction in Progress	4,255,388	17,572,210	(14,023,238)	7,804,360
Art	864,920	20,126	-	885,046
Total Capital Assets Not Being Depreciated	<u>175,060,254</u>	<u>17,592,336</u>	<u>(14,023,238)</u>	<u>178,629,352</u>
Capital Assets Being Depreciated:				
Buildings and Systems	63,433,367	2,867,122	-	66,300,489
Improvements	103,957,017	1,816,158	(1,021,588)	104,751,587
Equipment and Machinery	16,195,367	1,306,497	(267,221)	17,234,643
Furniture and Fixtures	421,572	48,659	(25,795)	444,436
Vehicles	27,336,778	2,552,323	(385,943)	29,503,158
Data Processing and Software	8,119,166	2,084,977	(977,648)	9,226,495
Traffic Signals	23,517,339	-	-	23,517,339
Streets	215,930,145	7,629,231	-	223,559,376
Bridges	4,152,742	-	-	4,152,742
Total Capital Assets Being Depreciated	<u>463,063,493</u>	<u>18,304,967</u>	<u>(2,678,195)</u>	<u>478,690,265</u>
Less: Accumulated Depreciation for:				
Buildings and Systems	(24,018,856)	(1,346,369)	-	(25,365,225)
Improvements	(59,576,382)	(6,793,528)	115,906	(66,254,004)
Equipment and Machinery	(11,622,516)	(1,106,258)	245,578	(12,483,196)
Furniture and Fixtures	(396,282)	(20,516)	25,795	(391,003)
Vehicles	(19,861,591)	(1,698,218)	380,064	(21,179,745)
Data Processing and Software	(7,534,811)	(324,823)	942,664	(6,916,970)
Traffic Signals	(23,329,546)	(29,529)	-	(23,359,075)
Streets	(173,112,416)	(3,048,501)	-	(176,160,917)
Bridges	(1,116,190)	(166,110)	-	(1,282,300)
Total Accumulated Depreciation	<u>(320,568,590)</u>	<u>(14,533,852)</u>	<u>1,710,007</u>	<u>(333,392,435)</u>
Total Capital Assets Being Depreciated	<u>142,494,903</u>	<u>3,771,115</u>	<u>(968,188)</u>	<u>145,297,830</u>
Governmental Activities Capital Assets	<u>\$ 317,555,157</u>	<u>\$ 21,363,451</u>	<u>\$ (14,991,426)</u>	<u>\$ 323,927,182</u>

CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 CAPITAL ASSETS (CONTINUED)

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 38,260,558	\$ -	\$ -	\$ 38,260,558
Water Rights	3,434,979	-	-	3,434,979
Construction in Progress	20,678,203	19,409,498	(8,395,757)	31,691,944
Art	215,971	4,000	-	219,971
Total Capital Assets Not Being Depreciated	<u>62,589,711</u>	<u>19,413,498</u>	<u>(8,395,757)</u>	<u>73,607,452</u>
Capital Assets Being Depreciated:				
Buildings and Structures	328,512,506	7,174	-	328,519,680
Improvements	155,655,727	-	(956,248)	154,699,479
Sewerlines and Utility Systems	158,944,677	7,134,002	-	166,078,679
Equipment and Machinery	15,911,199	2,510,061	(1,007,926)	17,413,334
Furniture and Fixtures	617,785	17,452	-	635,237
Vehicles	34,895,886	4,295,190	(156,462)	39,034,614
Intangible Plant	57,625	-	(57,625)	-
Data Processing and Software	2,472,147	-	(51,404)	2,420,743
Total Capital Assets Being Depreciated	<u>697,067,552</u>	<u>13,963,879</u>	<u>(2,229,665)</u>	<u>708,801,766</u>
Less: Accumulated Depreciation for:				
Buildings and Structures	(90,595,510)	(7,542,505)	-	(98,138,015)
Improvements	(124,613,005)	(8,280,901)	956,248	(131,937,658)
Sewerlines and Utility Systems	(92,717,044)	(5,602,977)	-	(98,320,021)
Equipment and Machinery	(12,991,392)	(1,704,110)	1,007,926	(13,687,576)
Furniture and Fixtures	(614,470)	(2,527)	-	(616,997)
Vehicles	(24,221,480)	(2,755,385)	156,462	(26,820,403)
Intangible Plant	(57,625)	-	57,625	-
Data Processing and Software	(2,311,915)	(59,770)	8,670	(2,363,015)
Total Accumulated Depreciation	<u>(348,122,441)</u>	<u>(25,948,175)</u>	<u>2,186,931</u>	<u>(371,883,685)</u>
Total Capital Assets Being Depreciated	<u>348,945,111</u>	<u>(11,984,296)</u>	<u>(42,734)</u>	<u>336,918,081</u>
Business-Type Activities Capital Assets	<u>\$ 411,534,822</u>	<u>\$ 7,429,202</u>	<u>\$ (8,438,491)</u>	<u>\$ 410,525,533</u>

CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to function/programs of the government as follows:

Governmental Activities:

General Government	\$ 1,019,881
Public Safety	2,324,984
Public Works	6,829,641
Community Development	435,935
Culture and Recreation	3,923,411
Total Depreciation Expense - Governmental Activities	<u>\$ 14,533,852</u>

Business-Type Activities:

Santa Fe Convention Center	\$ 1,687,943
Parking Operations	746,156
Environmental Services	722,054
Waste Water Management	2,075,509
Water Management	13,310,423
Municipal Recreation Center	280,418
Genoveva Chavez Community Center	788,789
Airport	1,495,336
Transit Operations	2,259,104
Railyard	1,055,831
College of Santa Fe	1,526,612
Total Depreciation Expense - Business-Type Activities	<u>\$ 25,948,175</u>

NOTE 6 ENDOWMENT

The City of Santa Fe Library Endowment fund, of which the \$255,000 principal must remain intact in perpetuity, was invested in a one-year certificate of deposit that matured in April 2020, and was renewed for another year at that time. The principal is invested to generate distributable income for the Southside Public Library to be used for library operations and maintenance of the building.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7 INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of inter-fund balances as of June 30, 2020 is as follows:

Fund	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Business-Type Activities:		
Waste Water Management	\$ 365,870	\$ 39,235
Water Management	801,376	-
Environmental Services	830,000	-
Governmental Activities:		
General Fund	3,446,992	380,398
Debt Service	-	1,500,001
Gross Receipts Tax	14,875,292	-
Non-Major Funds	420,889	18,820,785
Total	<u><u>\$ 20,740,419</u></u>	<u><u>\$ 20,740,419</u></u>

Inter-Fund Transfers

	<u>Transfer In</u>	<u>Transfers Out</u>					<u>Total</u>
		General Fund	Gross Receipts Tax	Other Nonmajor Funds	Enterprise Funds	Internal Service	
General Fund	\$ 2,334,946	-	\$ 824,292	\$ 5,960,189	-	-	\$ 9,119,427
Debt Service	12,271,348	-	(7,850,450)	(3,503,216)	-	-	917,682
Other Nonmajor Funds	11,745,497	(7,943,095)	(7,880,223)	(2,184,156)	(3,680,750)	-	(9,942,727)
Enterprise Funds	23,988,472	-	-	(24,965,409)	2,561,194	(7,078,926)	(5,494,669)
Internal Service	7,844,700	-	-	(1,663,763)	-	(780,650)	5,400,287
Total	<u><u>\$ 58,184,963</u></u>	<u><u>\$ (7,943,095)</u></u>	<u><u>\$ (14,906,381)</u></u>	<u><u>\$ (26,356,355)</u></u>	<u><u>\$ (1,119,556)</u></u>	<u><u>\$ (7,859,576)</u></u>	<u><u>\$ -</u></u>

The City has numerous inter-fund transactions during the course of the fiscal year. These transactions are treated as follows:

1. Inter-fund services provided and used are accounted for as revenues and expenditures/expenses in the funds involved. These types of transactions include administrative overhead charges that are charged to various City departments for services that are being provided (e.g. data processing, accounting, personnel, etc.). This also includes insurance premiums charged to the various City departments by the City's risk management fund which contracts with a third-party insurance carrier.
2. Inter-fund balances result from deficit cash balances and the loan from the GRT fund to the Water Management fund which it expects to collect in future years.
3. Transfers are used to 1) move revenues from the fund with collection authorization to where the resources are to be expended; or 2) move unrestricted revenue from one fund to another to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.
4. Transfers from Utility Enterprise funds to support the centralized Utility Administration and Customer Service Functions.
5. Transfers from Utility Enterprise funds to the General Fund for the Utility Franchise Fees.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 LONG-TERM DEBT

Long-term debt of the City at June 30, 2020 consisted of revenue bonds payable solely from gross receipts tax revenues, revenue bonds payable solely from revenues of enterprise funds, general obligation bonds payable from property tax revenues, notes payable from gross receipts tax revenues, notes payable from lodger's tax revenues, notes payable from revenues of enterprise funds, capital leases, and compensated absences payable.

Bonds Payable

The City has the following Bonds Outstanding at June 30, 2020:

	Governmental Activities					
	Outstanding June 30, 2019	Additions	Reductions	Outstanding June 30, 2020	Due Within One Year	Long-Term
GRT Senior Lien Revenue						
Series 2018 A	\$ 20,000,000	\$ -	\$ (500,000)	\$ 19,500,000	\$ 525,000	\$ 18,975,000
Series 2016 B	13,377,000	-	(2,814,000)	10,563,000	2,364,250	8,198,750
Series 2014	15,460,000	-	(390,000)	15,070,000	455,000	14,615,000
Series 2013 A	1,100,000	-	(1,100,000)	-	-	-
Series 2012 A	14,450,000	-	(1,820,000)	12,630,000	1,895,000	10,735,000
	<u>64,387,000</u>	<u>-</u>	<u>(6,624,000)</u>	<u>57,763,000</u>	<u>5,239,250</u>	<u>52,523,750</u>
GRT Subordinate Lien Revenue						
Series 2016 D	1,860,000	-	(170,000)	1,690,000	180,000	1,510,000
Series 2013 B	12,315,000	-	(525,000)	11,790,000	545,000	11,245,000
Series 2018 Gas Tax	9,550,000	-	(890,000)	8,660,000	915,000	7,745,000
	<u>23,725,000</u>	<u>-</u>	<u>(1,585,000)</u>	<u>22,140,000</u>	<u>1,640,000</u>	<u>20,500,000</u>
GO Bonds						
Series 2019	-	5,445,000	-	5,445,000	450,000	4,995,000
Series 2014	4,970,000	-	(225,000)	4,745,000	230,000	4,515,000
Series 2013	9,490,000	-	(550,000)	8,940,000	565,000	8,375,000
Series 2010	6,715,000	-	(6,715,000)	-	-	-
	<u>21,175,000</u>	<u>5,445,000</u>	<u>(7,490,000)</u>	<u>19,130,000</u>	<u>1,245,000</u>	<u>17,885,000</u>
Bond Premiums (Discounts)	<u>11,481,916</u>	<u>988,799</u>	<u>(2,076,517)</u>	<u>10,394,198</u>	<u>1,522,326</u>	<u>8,871,872</u>
Total	<u>\$ 120,768,916</u>	<u>\$ 6,433,799</u>	<u>\$ (17,775,517)</u>	<u>\$ 109,427,198</u>	<u>\$ 9,646,576</u>	<u>\$ 99,780,622</u>
	Business-Type Activities					
GRT Senior Lien Revenue						
Series 2016 A	\$ 4,080,000	\$ -	\$ (945,000)	\$ 3,135,000	\$ 945,000	\$ 2,190,000
Series 2016 B	5,693,000	-	(1,206,000)	4,487,000	1,447,500	3,039,500
	<u>9,773,000</u>	<u>-</u>	<u>(2,151,000)</u>	<u>7,622,000</u>	<u>2,392,500</u>	<u>5,229,500</u>
GRT Subordinate Lien Revenue						
Series 2017	4,050,000	-	(245,000)	3,805,000	250,000	3,555,000
Series 2016 C Waste Water	1,688,700	-	(731,250)	957,450	772,200	185,250
Series 2016 C MRC	2,641,300	-	(1,143,750)	1,497,550	1,207,800	289,750
Series 2012 B	5,415,000	-	(1,620,000)	3,795,000	1,835,000	1,960,000
Series 2010 B	5,670,000	-	(810,000)	4,860,000	850,000	4,010,000
	<u>19,465,000</u>	<u>-</u>	<u>(4,550,000)</u>	<u>14,915,000</u>	<u>4,915,000</u>	<u>10,000,000</u>
Other Government Revenue						
Series 2015 Convention Center	18,729,900	-	(806,400)	17,923,500	806,400	17,117,100
Series 2015 Convention Parking	11,000,100	-	(473,600)	10,526,500	473,600	10,052,900
	<u>29,730,000</u>	<u>-</u>	<u>(1,280,000)</u>	<u>28,450,000</u>	<u>1,280,000</u>	<u>27,170,000</u>
Utility Revenue Bonds						
Series 2019 Digester	13,550,000	-	-	13,550,000	-	13,550,000
Series 2016 Water	34,000,000	-	(910,000)	33,090,000	945,000	32,145,000
	<u>47,550,000</u>	<u>-</u>	<u>(910,000)</u>	<u>46,640,000</u>	<u>945,000</u>	<u>45,695,000</u>
Deferred Amount (Prem/Disc)	<u>12,130,459</u>	<u>-</u>	<u>(1,222,852)</u>	<u>10,907,607</u>	<u>1,267,922</u>	<u>9,639,685</u>
Total	<u>\$ 118,648,459</u>	<u>\$ -</u>	<u>\$ (10,113,852)</u>	<u>\$ 108,534,607</u>	<u>\$ 10,800,422</u>	<u>\$ 97,734,185</u>

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Bonds Payable (Continued)

Total City revenue bonded debt including governmental and business-type debt, is as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities	2.00% - 5.50%	\$ 79,903,000
Business - Enterprises	1.35% - 6.00%	97,627,000
		<u>\$ 177,770,000</u>

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

<u>Years Ended June 30</u>	<u>Governmental Activities</u>		<u>Enterprise Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 6,879,250	\$ 3,665,698	\$ 9,532,500	\$ 4,178,974
2022	8,315,500	3,304,623	8,324,500	3,712,134
2023	7,115,250	2,928,235	5,623,000	3,316,608
2024	6,617,500	2,663,435	4,742,500	3,040,452
2025	6,898,000	2,333,560	4,362,000	2,817,799
2026-2030	26,178,500	7,050,423	22,731,500	11,239,113
2031-2035	12,284,000	2,973,063	28,786,000	6,080,955
2036-2040	5,615,000	507,900	13,525,000	1,308,800
	<u>\$ 79,903,000</u>	<u>\$ 25,426,937</u>	<u>\$ 97,627,000</u>	<u>\$ 35,694,835</u>

Total City general obligation debt consisted of governmental debt as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities	2.50% - 5.00%	\$ 19,130,000
		<u>\$ 19,130,000</u>

Annual debt service requirements for the City's general obligation bonds to maturity are as follows:

<u>Years Ended June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,245,000	\$ 727,988
2022	1,295,000	682,313
2023	1,340,000	630,738
2024	1,390,000	577,241
2025	1,435,000	521,838
2026-2030	8,085,000	1,665,103
2031-2035	4,340,000	309,107
2036-2040	-	-
	<u>\$ 19,130,000</u>	<u>\$ 5,114,328</u>

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Defeased Debt

The City did not defease any debt in fiscal year 2020.

The City has defeased certain revenue and other bonds in prior years by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. As of June 30, 2020, the City had \$3,864,854 in an escrow account held at Bank of Albuquerque for the defeasement of the 2012C Market Station bond.

Notes Payable

The City has the following Notes Payable outstanding at June 30, 2020:

	Outstanding June 30, 2019	Additions	Reductions	Outstanding June 30, 2020	Due Within One Year	Long-Term
Governmental Activities						
2017 Fire	\$ 702,363	\$ -	\$ (113,597)	\$ 588,766	\$ 114,733	\$ 474,033
	<u>\$ 702,363</u>	<u>\$ -</u>	<u>\$ (113,597)</u>	<u>\$ 588,766</u>	<u>\$ 114,733</u>	<u>\$ 474,033</u>
Business-Type Activities						
2009 College	\$ 23,325,000	\$ -	\$ (23,325,000)	\$ -	\$ -	\$ -
2014 Fleet	2,153,805	-	(287,358)	1,866,447	292,703	1,573,744
Environmental Services	909,000	-	(148,179)	760,821	185,730	575,091
DW #4 2696	1,968,424	-	(113,825)	1,854,599	775,306	1,079,293
DW #2 Buckman	8,324,425	-	(760,067)	7,564,358	116,102	7,448,256
Taxable Refunding 2019	-	23,705,000	(895,000)	22,810,000	905,000	21,905,000
PPRF - 4953	-	1,575,000	(195,000)	1,380,000	185,000	1,195,000
	<u>\$ 36,680,654</u>	<u>\$ 25,280,000</u>	<u>\$ (25,724,429)</u>	<u>\$ 36,236,225</u>	<u>\$ 2,459,841</u>	<u>\$ 33,776,384</u>

Notes Payable – Governmental Activities

2017 Fire - During fiscal year 2017, the City secured a loan from NMFA for the purchase of self-contained breathing apparatus and accessories for the Fire Department. The first interest payment was due November 1, 2017 and the term of the loan is for eight years, ending May 1, 2025. Interest rates for this loan range from 0.84% to 1.63%. Debt service will be paid from the annual Fire Protection Fund allocation from the New Mexico State Fire Marshal.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Notes Payable – Business-Type Activities

2009 College - During fiscal year 2009-2010 the City secured a loan from NMFA for the acquisition and improvement of land, buildings, and other real property owned by the Santa Fe University of Art and Design. The City, in conjunction with the State of New Mexico, the New Mexico Finance Authority, the LaSalle Christian Brothers (who founded the college), Laureate Education, Inc., and a number of other affected parties, negotiated an arrangement whereby, among other things, the City would purchase the facilities and make certain essential upgrades, the College's prior debt would be relieved, and Laureate Education, Inc., would lease and manage the college. The long-term lease with Laureate requires the payment of rent to the City sufficient to cover the debt service on the NMFA loan. The City has retained the right to sell the property subject to Laureate Education, Inc., having the right of first offer, right of first refusal and purchase option.

Note payable to NMFA issued September 14, 2009 for the amount of \$29,615,000 at a 6.889% average interest with a maturity date of June 2036, for the purpose of purchasing the facilities of the College of Santa Fe. On July 12, 2019, this note payable was refinanced to NMFA for the amount of \$23,705,000 at a 3.599% average interest rate with a maturity of December 2030.

2014 Fleet - During fiscal year 2014-2015, the City secured a loan from NMFA for the purpose of purchasing transit buses. The Transit loan will be repaid from the municipal gross receipts tax share allocated to Transit.

Note payable to NMFA issued August 1, 2014, for the amount of \$3,500,000 at 2.41% interest with a maturity date of June 1, 2026 for the purchase of transit buses.

Environmental Services - In fiscal year 2017, the City secured a loan in the amount of \$1,300,582 for the purchase of recycle carts for the Environmental Services enterprise. The first loan payment is set for June 1, 2017 and the final payment is April 1, 2024. The pledge and payment of principal and interest under the loan agreements is provided solely from the net revenues of the City's Environmental Services Enterprise Fund.

Buckman Direct Diversion Project Notes - The City serves as fiscal agent for the Buckman Direct Diversion Project, a regional water project.

DW #2 Buckman - During fiscal year 2007-2008 the City secured a loan from NMFA to partially fund construction of the regional Buckman Direct Diversion Project.

Note payable to NMFA (SANTAFE DW-2) issued on May 16, 2008, for the amount of \$15,150,000 at 2.00% interest with a maturity date of June 2029 from the Drinking Water State Revolving Loan Fund, to partially fund construction of the Buckman Direct Diversion Water Project.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Notes Payable – Business-Type Activities (Continued)

Buckman Direct Diversion Project Notes (Continued)

DW #4 2696 - During fiscal year 2012-2013 the City secured a loan from NMFA to partially fund a solar photovoltaic system for the Buckman Direct Diversion Project.

Note payable to NMFA (SANTAFE DW-4) issued on May 3, 2013, for the amount of \$2,525,000 at 2.00% interest with a maturity date anticipated to be June 2035 from the Drinking Water State Revolving Loan Fund, to partially fund construction of the Buckman Direct Diversion solar photovoltaic system.

Parking - In August 2019 the City secured a loan from NMFA for the purpose of building a parking structure. The total note payable was for \$1,575,000 at an interest rate of between 1.9% and 2.15% with a maturity date of June 2027.

The NMFA notes represent balances available to the City for capital projects. For most of these loans, the City makes payments on the entire amount of the note even if the entire balance has not been drawn. The exceptions to this are drinking water loans handled through NMFA for which debt service schedules are not finalized until all project funds have been drawn. NMFA loans not drawn are kept in a trust account held by NMFA on behalf of the City and are applied to the loan's principal if the money is not drawn by a specified period.

The debt service requirements to maturity for long term notes payable at June 30, 2020 are as follows:

Years Ended June 30	Governmental Activities		Enterprise Activities	
	Principal	Interest	Principal	Interest
2021	\$ 114,733	\$ 9,643	\$ 2,459,841	\$ 1,028,253
2022	116,087	7,075	2,512,036	978,296
2023	117,620	5,541	2,570,946	924,296
2024	119,301	3,860	2,624,004	869,280
2025	121,025	2,058	2,487,604	810,880
2026-2030	-	-	10,413,474	3,185,584
2031-2035	-	-	7,063,320	1,936,236
2036-2040	-	-	6,105,000	602,896
	<u>\$ 588,766</u>	<u>\$ 28,177</u>	<u>\$ 36,236,225</u>	<u>\$ 10,335,721</u>

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

The changes in long-term debt during the year ended June 30, 2020 are as follows:

Compensated Absences						
	Outstanding June 30, 2019	Additions	Reductions	Outstanding June 30, 2020	Due Within One Year	Long-Term
Governmental Activities	\$ 5,415,177	\$ 3,056,981	\$ (4,098,561)	\$ 4,373,597	\$ -	\$ 4,373,597
Business-Type Activities	\$ 2,188,322	\$ 1,876,548	\$ (2,241,937)	\$ 1,822,933	\$ -	\$ 1,822,933
Unamortized Gains(Losses) on Refundings						
	Outstanding June 30, 2019	Additions	Reductions	Outstanding June 30, 2020	Due Within One Year	Long-Term
Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business-Type Activities	\$ 145,310	\$ -	\$ (26,680)	\$ 118,630	\$ 26,680	\$ 91,950

Internal Service Funds predominantly serve governmental funds. Accordingly, long-term liabilities for these are included as part of the above totals for governmental activities. At year end, \$271,105 of internal service funds compensated absences is included in the above amounts. The General Fund is typically used to pay off other long-term liabilities.

NOTE 9 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries various insurance. The City administers its insurance coverage through the Risk Management Office. The Risk Management Fund, Santa Fe Health Fund/Dental Fund, and Worker's Compensation Fund are reported as Internal Service funds. Premiums are paid into the funds by other funds and are available to pay claims, claim reserves, and administrative costs of the programs. The City purchases commercial insurance for claims in excess of coverage provided by the funds and for other risks of loss. The City has had no significant reduction in insurance coverage from the prior year and, as of June 30, 2020, such inter-fund premiums did not exceed reimbursable expenditures.

The Risk Management Fund accounts for general liability, auto liability, public official errors and omissions and law enforcement liability through independent conventional insurance carriers. The City is self-insured for the first \$100,000 per public official errors and omissions and the first \$50,000 for general and auto liability claims and law enforcement liability claims.

The Santa Fe Health/Dental 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 \$225,000 and aggregate coverage of cumulative claims in excess of 125% of expected claims.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 RISK MANAGEMENT (CONTINUED)

The Workers' Compensation Fund accounts for the self-insured program and for worker's 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 \$500,000 with a \$1,000,000 statutory limit.

Liabilities of the funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and the damage award. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether these expenses are allocated to specific claims. Estimated recoveries, such as recoveries from salvage or subrogation, are another component of the claims liability estimated. An excess coverage insurance policy covers individual claims at various levels. Settlements have not exceeded coverage for any of the past three fiscal years.

The Union Sick Leave Bank accounts for donations of leave from union employees to support other union employees in need of leave.

Changes in the balances of claims liabilities during the past two years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payment	Balance at Fiscal Year End
2018 - 2019				
Risk Management Fund	\$ 1,842,494	\$ 882,558	\$ 707,501	\$ 2,017,551
Santa Fe Health/Dental Fund	1,243,000	19,661,777	19,394,777	1,510,000
Workers' Compensation Fund	3,698,089	1,401,683	1,163,312	3,936,460
Unemployment Claims Fund	-	133,056	133,056	-
	<u>\$ 6,783,583</u>	<u>\$ 22,079,074</u>	<u>\$ 21,398,646</u>	<u>\$ 7,464,011</u>
2019 - 2020				
Risk Management Fund	\$ 2,017,551	\$ 1,860,582	\$ 1,858,348	\$ 2,019,785
Santa Fe Health/Dental Fund	1,510,000	21,376,125	21,121,125	1,765,000
Workers' Compensation Fund	3,936,460	2,086,202	1,776,783	4,245,879
Unemployment Claims Fund	-	89,368	89,368	-
	<u>\$ 7,464,011</u>	<u>\$ 25,412,277</u>	<u>\$ 24,845,624</u>	<u>\$ 8,030,664</u>

CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 CONTINGENT LIABILITIES

The City receives significant financial assistance from federal and state sources in the form of grants and entitlements. The disbursements of the funds received are generally limited to specific compliance requirements as specified in the grant agreement. During the period under audit, the City also had its grants audited under the audit requirements of the Office of Management and Budgets Uniform Guidance and the U. S. Department of Housing and Urban Development. The Federal agencies reserve the right to review the scope of the audit and conduct a follow-up review if deemed necessary. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable City fund. The City, however, believes that liabilities resulting from disallowed claims, if any, would not have a material effect on the City's financial position at June 30, 2020.

The City Attorney's Office is involved in several legal actions arising from the ordinary course of operations. With respect to these actions, the City Attorney's Office believes the outcomes will not have a material adverse effect on the City's financial position.

NOTE 11 JOINTLY GOVERNED ORGANIZATIONS

Under authorization of the New Mexico State Statute 11-1-1, the City of Santa Fe joined the County of Santa Fe to jointly undertake their powers to dispose of solid waste as mandated by State and Federal regulations and provide a more efficient and cost-effective method of solid waste disposal to the City and County citizens. The Solid Waste Management Agency was established February 1995, as a public entity separate from the City or the County. The Board of Directors for the joint venture consists of three members who are appointed by the City's mayor with the approval of the City Council and three members who are appointed by the Board of County Commissioners. The Agency is charged to comply with all laws, rules, and regulations of operations under the permit issued from the New Mexico Environment Department.

The Solid Waste Management Agency has its own financial statements as a separate entity, audited on an annual basis. The City serves as the fiscal agent for the agency. Completed financial statements for the Agency may be obtained at the Santa Fe Solid Waste Management Agency, 149 Wildlife Way, Santa Fe, NM 87506.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)

Under a joint powers agreement for the Buckman Direct Diversion Project (BDD) dated January 11, 2005, the City of Santa Fe joined the County of Santa Fe to design and construct the BDD project in order to divert surface water from the Rio Grande to the independent water systems of the City and County. The City and County each own 50 percent of the BDD project and have established a board to oversee the planning, procurement, financing, permitting, design, construction, operations, and management of the BDD project. The BDD board is comprised of two members of the governing body of the City of Santa Fe, two members of the board of Santa Fe County commissioners and one citizen member at large appointed by a majority vote of the four other members. The project is essentially complete as of December 2010. First water delivery was approved to enter the Santa Fe region water systems as of January 2011 by the New Mexico Environment Department. The City of Santa Fe and Santa Fe County are responsible on an ongoing basis for financial and operating costs of the system. The City is a fiscal agent for the project through a project management and fiscal services agreement in effect through December 2015, and month to month thereafter until a new Fiscal Agent agreement is finalized or termination by either party. Fiscal services include maintaining separate books and accounts of all transactions that relate to the project including third party transactions. The BDD project has its own financial statements and is audited on an annual basis. Completed financial statements for the BDD project may be obtained from: City of Santa Fe, P.O Box 909, Santa Fe, NM 87504-0909.

The City of Santa Fe appoints open board positions for the Santa Fe Housing Authority, a related organization. The Housing Authority is not financially accountable to the City. The City leases certain land to the Housing Authority for \$1 per year providing significant in kind support to the Housing Authority for its operations. No other transactions between the organizations occurred.

NOTE 12 PENSION PLAN - PUBLIC EMPLOYERS RETIREMENT ASSOCIATION

Plan Description

The Public Employees Retirement Fund (PERA 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 Officer, 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 PERA 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 (10-2 IA-1 to 10-1-IA-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), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12 PENSION PLAN - PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org> using the Audit Report Search function for agency 366.

Benefits Provided

For a description of the benefits provided and recent changes to the benefits, see the PERA audited financial statements for the fiscal year ended June 30, 2019, available at:

[https://reports.saonm.org/media/audits/366-B Public Employees Retirement Association of New Mexico FY2019 Final.pdf.pdf](https://reports.saonm.org/media/audits/366-B%20Public%20Employees%20Retirement%20Association%20of%20New%20Mexico%20FY2019%20Final.pdf.pdf)

Contributions

The contribution requirements of defined benefit plan members and the City of Santa Fe are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY19 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures of the PERA FY19 annual audit report at

[https://reports.saonm.org/media/audits/366-B Public Employees Retirement Association of New Mexico FY2019 Final.pdf.pdf](https://reports.saonm.org/media/audits/366-B%20Public%20Employees%20Retirement%20Association%20of%20New%20Mexico%20FY2019%20Final.pdf.pdf)

The PERA coverage options that apply to City of Santa Fe are: Municipal General Division, Municipal Police Division, and Municipal Fire Division. Statutorily required contributions to the pension plan from the City of Santa Fe were \$4,131,508 in the Municipal General Division, \$1,560,513 in the Municipal Police Division, and \$1,727,783 in the Municipal Fire Division for the year ended June 30, 2020.

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

The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2018. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2019, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2019.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12 PENSION PLAN - PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)

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

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. City of Santa Fe's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2019. Only employer contributions for the pay period end dates that fell within the period of July 1, 2018 to June 30, 2019 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2019 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Municipal General Division, at June 30, 2020, City of Santa Fe reported a liability of \$87,167,781 for its proportionate share of the net pension liability. At June 30, 2019, City of Santa Fe's proportion was 5.0354%, which increased from the prior year percentage of 5.0352% as of June 30, 2018.

For the year ended June 30, 2020, City of Santa Fe recognized PERA Fund Municipal General Division pension expense of \$14,759,813. At June 30, 2020, City of Santa Fe reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 3,886,766	\$ 214,692
Change in Proportion	1,990	1,456,420
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,937,317	-
Differences Between Expected and Actual Experience	2,613,454	942,961
City of Santa Fe's Contributions Subsequent to the Measurement Date	4,131,508	-
	<u>\$ 13,571,035</u>	<u>\$ 2,614,073</u>

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12 PENSION PLAN - PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)

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

\$4,131,508 reported as deferred outflows of resources related to pensions resulting from City of Santa Fe's contributions subsequent to the measurement date June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Amount
2021	\$ 3,734,130
2022	1,239,999
2023	1,368,058
2024	483,267

For PERA Fund Municipal Police Division, at June 30, 2020, City of Santa Fe reported a liability of \$29,585,909 for its proportionate share of the net pension liability. At June 30, 2019, City of Santa Fe's proportion was 4.0053% percent, which decreased from the prior year proportion of 4.5055% as of June 30, 2018.

For the year ended June 30, 2020, City of Santa Fe recognized PERA Fund Municipal Police Division pension expense of \$3,884,657. At June 30, 2020, City of Santa Fe reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 1,678,188	\$ 75,272
Change in Proportion	290,656	2,870,074
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	923,880	-
Differences Between Expected and Actual Experience City of Santa Fe's Contributions Subsequent to the Measurement Date	1,236,015	1,260,312
	1,560,513	-
	\$ 5,689,252	\$ 4,205,658

\$1,560,513 reported as deferred outflows of resources related to pensions resulting from City of Santa Fe's contributions subsequent to the measurement date June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Amount
2021	\$ 69,518
2022	(58,380)
2023	(239,680)
2024	151,623

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12 PENSION PLAN - PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)

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

For PERA Fund Municipal Fire Division, at June 30, 2020, City of Santa Fe reported a liability of \$44,258,054 for its proportionate share of the net pension liability. At June 30, 2019, City of Santa Fe's proportion was 6.4400%, which decreased from the prior year proportion of 6.6437% percent as of June 30, 2018.

For the year ended June 30, 2020, City of Santa Fe recognized PERA Fund Municipal Fire Division pension expense of \$4,236,856. At June 30, 2020, City of Santa Fe reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 1,214,279	\$ 70,027
Change in Proportion	19,104	1,656,623
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	707,765	-
Differences Between Expected and Actual Experience	751,673	1,398,590
City of Santa Fe's Contributions Subsequent to the Measurement Date	1,727,783	-
	\$ 4,420,604	\$ 3,125,240

\$1,727,783 reported as deferred outflows of resources related to pensions resulting from City of Santa Fe's contributions subsequent to the measurement date June 30, 2019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Amount
2021	\$ (762,346)
2022	138,066
2023	76,345
2024	115,516

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12 PENSION PLAN - PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)

Actuarial Assumptions

As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2018 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2019 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2019. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2019 actuarial valuation. The total pension liability in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2019
Actuarial cost method	Entry age normal
Amortization method	Level Percentage of Pay
Amortization period	Solved for based on statutory rates
Asset valuation method	4 Year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
Mortality assumptions	RPH-2014 Blue Collar

Rate of Return

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	42.33 %	7.48 %
Risk Reduction and Mitigation	21.37	2.37
Credit Oriented Fixed Income	15.00	5.47
Real Assets	20.00	6.48
Multi-Risk Allocation	1.30	
Total	100.00 %	

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12 PENSION PLAN - PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)

Rate of Return (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASB 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present City of Santa Fe's net pension liability in each PERA Fund Division that City of Santa Fe participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.25%) or one percentage point higher (8.25%) than the single discount rate.

PERA Fund Municipal General Division

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City of Santa Fe's Proportionate Share of the Net Pension Liability	<u>\$ 131,836,012</u>	<u>\$ 87,167,781</u>	<u>\$ 50,210,805</u>

PERA Fund Municipal Police Division

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City of Santa Fe's Proportionate Share of the Net Pension Liability	<u>\$ 44,772,878</u>	<u>\$ 29,585,909</u>	<u>\$ 17,196,204</u>

PERA Fund Municipal Fire Division

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City of Santa Fe's Proportionate Share of the Net Pension Liability	<u>\$ 58,655,725</u>	<u>\$ 44,258,054</u>	<u>\$ 32,458,834</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued FY19 PERA financial report. The report is available at [http://osanm.org/media/audits/366 Public Employees Retirement Association FY2019.pdf](http://osanm.org/media/audits/366%20Public%20Employees%20Retirement%20Association%20FY2019.pdf).

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 12 PENSION PLAN - PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)

Payables to the Pension Plan

The City had a payable of \$3,398,165 owed to PERA at June 30, 2020. Contractually required contributions are remitted to PERA monthly for the previous month's withholdings. Accrued payroll includes the employer's portion of retirement contributions related to employee services rendered as of June 30, 2020 but paid in July 2020. Total aggregate pension expense was \$22,881,326.

NOTE 13 POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description

Employees of the City are provided with Other Postemployment Benefits (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.

Benefits Provided

The Fund is a 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.

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.

The Agency's contributions to the RHCA for the year ended June 30, 2020 was \$1,277,038, which equal the required contributions for the year.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

**NOTE 13 POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the City reported a liability of \$49,562,956 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2019.

At June 30, 2019, the City's proportion was 1.574%, which is a decrease of .032% from June 30, 2018. For the year ended June 30, 2020, the City recognized OPEB income of \$3,816,003. On June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Proportion	\$ 2,526,339	\$ 3,260,618
Changes of Assumptions	-	15,996,537
Difference Between Expected and Actual Experience	-	12,472,566
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	460,813
City's Contributions Subsequent to the Measurement Date	1,277,038	-
Total	<u>\$ 3,803,377</u>	<u>\$ 32,190,534</u>

\$1,277,038 reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ (7,857,773)
2022	(7,857,773)
2023	(6,863,971)
2024	(4,397,934)
2025	(2,686,744)

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

**NOTE 13 POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2019
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	2.5% for ERB; 2.50% for PERA
Projected payroll increases	3.25% to 12.00% for ERB; 3.25% to 13.50% for PERA
Investment rate of return	7.25%, 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 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs

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.

Discount Rate

The discount rate used to measure the Fund's total OPEB liability is 7.25% as of June 30, 2019. 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 Fund'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, 2039. Thus, the 7.25% discount rate was used to calculate the net OPEB liability through 2039. Beyond 2039, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 4.16% is the blended discount rate.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

**NOTE 13 POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

Sensitivity of the County’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.16%) or 1-percentage-point higher (5.16%) than the current discount rate:

	1% Decrease (3.16%)	Current Trend Rate (4.16%)	1% Increase (5.16%)
City's Proportionate Share of the OPEB Liability	\$ 60,627,487	\$ 49,562,956	\$ 40,865,261

Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Health Cost Trend Rate

The following presents the net OPEB liability of the City, as well as what the City’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
City's Proportionate Share of the OPEB Liability	\$ 41,264,387	\$ 49,562,956	\$ 56,207,204

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan’s fiduciary net position is available on NMRHCA’s web site at <https://www.nmrhca.org/administration/financial-documents/>.

Payable Changes in the Net OPEB Liability

At June 30, 2020, the City reported a payable of \$76,400 for outstanding contributions due to NMRHCA for the year ended June 30, 2020.

NOTE 14 TAX ABATEMENTS

The City has entered into several agreements with entities pursuant to the NMSA 3-32-1 through 3-32-16 Municipal Bond Act for the purpose of promoting industry and trade by inducing manufacturing, industrial, and commercial enterprises to locate or expand in the state. The City has abated certain taxes as terms of the agreements. As required by GASB Statement No. 77, *Tax Abatement Disclosure*, the City has provided the following disclosure of agreements and abated taxes, as well as agreement entered into by other governments and entities who abated taxes that affected Santa Fe County. In addition, as required by the New Mexico Office of the State Auditor, Audit Rule NMAC 2.2.2.10 BB. (1), disclosure information for tax abatement shall be provided individually and may not be aggregated.

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 14 TAX ABATEMENTS (CONTINUED)

Agency number for Agency making the disclosure (Abating Agency)	6160
Abating Agency Name	City of Santa Fe, New Mexico
Abating Agency Type	Municipal Government
Tax Abatement Agreement Name	Ridgetop Road, LLC Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	County of Santa Fe, New Mexico
Agency number of Affected Agency	5026
Agency type of Affected Agency	County Government
Recipient(s) of tax abatement	Ridgetop Road, LLC
Tax abatement program (name and brief description)	Ridgetop Road, LLC Industrial Revenue Bond
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	New Mexico Constitution, Article III, Sections 1 and 2 and the enabling legislation, NMSA 1978, sec7-37-7.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$240,306
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$0.00
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	NA

Agency number for Agency making the disclosure (Abating Agency)	6160
Abating Agency Name	City of Santa Fe, New Mexico
Abating Agency Type	Municipal Government
Tax Abatement Agreement Name	Ridgetop Road, LLC Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	Santa Fe Community College
Agency number of Affected Agency	975
Agency type of Affected Agency	Community College
Recipient(s) of tax abatement	Ridgetop Road, LLC
Tax abatement program (name and brief description)	Ridgetop Road, LLC is an IRB Bond issued in 2007
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	New Mexico Constitution, Article III, Sections 1 and 2 and the enabling legislation, NMSA 1978, sec7-37-7.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$68,529
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$0.00
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	NA

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 14 TAX ABATEMENTS (CONTINUED)

Agency number for Agency making the disclosure (Abating Agency)	6160
Abating Agency Name	City of Santa Fe, New Mexico
Abating Agency Type	Municipal Government
Tax Abatement Agreement Name	Ridgetop Road, LLC Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	Santa Fe Public Schools
Agency number of Affected Agency	7076
Agency type of Affected Agency	Public Schools
Recipient(s) of tax abatement	Ridgetop Road, LLC
Tax abatement program (name and brief description)	Ridgetop Road, LLC Industrial Revenue Bond
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	New Mexico Constitution, Article III, Sections 1 and 2 and the enabling legislation, NMSA 1978, sec7-37-7.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$168,647.84
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$63,111.80
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	NA

Agency number for Agency making the disclosure (Abating Agency)	6160
Abating Agency Name	City of Santa Fe, New Mexico
Abating Agency Type	Municipal Government
Tax Abatement Agreement Name	Ridgetop Road, LLC Industrial Revenue Bond
Name of agency affected by abatement agreement (Affected Agency)	State of New Mexico
Agency number of Affected Agency	333
Agency type of Affected Agency	State of New Mexico
Recipient(s) of tax abatement	Ridgetop Road, LLC
Tax abatement program (name and brief description)	Ridgetop Road, LLC Industrial Revenue Bond
Specific Tax(es) Being Abated	Property Tax
Authority under which abated tax would have been paid to Affected Agency	New Mexico Constitution, Article III, Sections 1 and 2 and the enabling legislation, NMSA 1978, sec7-37-7.
Gross dollar amount, on an accrual basis, by which the Affected Agency's tax revenues were reduced during the reporting period as a result of the tax abatement agreement	\$23,387.48
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by the Affected Agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$0
If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission	NA

**CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 14 TAX ABATEMENTS (CONTINUED)

Agency Number	6160
Agency Name	City of Santa Fe, New Mexico
Agency Type	Municipality
Tax Abatement Agreement Name	Ridgetop Road, LLC IRB
Recipient(s) of tax abatement	Ridgetop Road, LLC
Parent company(ies) of recipient(s) of tax abatement	Thornburg Investment Management
Tax abatement program (name and brief description)	Industrial Revenue Bond for the construction of the Thornburg Campus
Specific Tax(es) Being Abated	Property Tax
Legal authority under which tax abatement agreement was entered into	NMSA 1978, Sections 3-32-1 to 3-32-16, Industrial Revenue Bond Act.
Criteria that make a recipient eligible to receive a tax abatement	Construction of a "new" non-speculative office building not engaged in the sale of goods or commodities.
How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)	Title to the facility is held by the City of Santa Fe and not on the County Assessors tax role thereby eliminating property tax.
How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.	The property is held in the City (Issuers name) and not on the County's tax roll. Therefore no property tax is levied on the facility.
Are there provisions for recapturing abated taxes? (Yes or No)	Yes
If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.	Section 4.17 of the lease specifies, in the event the Lessee ceases operations of the facilities (other than a temporary cessation not exceeding 60 days, during holiday periods, for maintenance and retooling, or because of short-term slack demand or other similar circumstances, or for such reasonable periods as may be required for the repair of facilities destroyed or damaged by casualty or resulting from labor dispute) with five years after the issuance of the Bond, the Lessee will pay to the Issuer, within 90 days of such termination or such cessation, an amount equal to (i) that percentage of the ad valorem taxes on real and personal Project Property that the Lessee would have been required to pay if the Bond had not been issued by the Issuer and the Project Property had been subject to the ad valorem taxation, calculate3d using mill levies and actual property tax valuations and relates for each tax year, plus (ii) the Applicable Percentage of the amount of gross receipts tax that would have been payable by vendors of Project Property if the Bond had not been issued and receipts from sales or Project Property had not been deductible from gross receipts of the vendors, plus (iii) the Applicable Percentage of the amount of compensating tax that would have been payable by the Lessee with respect to Project Property if the bond had not been issued.
List each specific commitment made by the recipient of the abatement.	1. Will contribute not less than \$45,000 per year to SFPS and \$15,000 to SFCC. 2. Will acquire property, build facility and to the extent necessary, after all bonds proceeds have been exhausted, will finance the completion of the project with its own funds. 3. Will maintain a set of plans and specifications for the project during the construction and installation. 4. Obtain all permits, approvals for operation and maintenance of the property. 5. Will not permit or suffers others to commit a nuisance on or about the project. 6. Will pay when due all taxes, assessments, governmental and other charges of any kind. 7. All utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the property. 8. That the property will be continuously insured. 9. Shall give access to the facilities during regular business hours. 10. Will not suffer any liens to the existing property. 11. Will pay a PILOT as amended in 2010. 12. Will use commercially reasonable efforts to identify local vendors within the City's boundary.
Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.	\$63,111.81
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment	The authority is provided for in the lease agreement between the City and Ridgetop Road, LLC. Every four years, starting in 2009, Ridgetop Road, LLC will have an appraisal done on the subject property which will be use for the next four years as basis for the PILOT. Using the School district property tax rate stated on the County of Santa Fe Certificate of Property Tax Rates in Mills, the mill rate is multiplied by the appraised property value. Thornburg, in compliance with New Mexico statute methodology regarding business personal property provides the City with its valuation estimate annually. That valuation is the basis to calculate the property tax. Then the two taxes are added together and a check is sent to the City. In turn, the City transfers the exact payment on to the Santa Fe Public Schools.
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year	\$63,111.81, was paid to the Santa Fe Public Schools per lease amendment.
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year	NA
List each specific commitment made by your agency or any other government, other than the tax abatement.	1. The Issuer has authorized the execution, delivery and performance of the Bond Documents and the issuance of the Bond all for the purpose of financing the project and paying certain costs related to the issuance of the Bond. 2. That the City will sell the property at the expiration or sooner termination of the agreement. 4. Assignment of Rights, the City will assign certain rights to RRLCC. 5. Will not sell, transfer, assign or convey its rights, title, or interests in this agreement or property.
Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.	Yes. County of Santa Fe, Santa Fe Community College, State of New Mexico
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	NA

CITY OF SANTA FE, NEW MEXICO
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 CONDUIT DEBT OBLIGATIONS

The City of Santa Fe has issued Industrial Revenue Bonds to provide financial assistance to private-sector and nonprofit entities for the acquisition and construction of industrial, commercial, educational, and health care facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received from the entities involved. Upon repayment of the bonds, ownership of the acquired facilities transfers to the entity served by the bond issuance. Neither the City nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

On November 7, 2019 the City issued industrial revenue bonds of \$80 million to finance acquisition, construction, and equipping of a new adult residential retirement facility. At June 30, 2020 the full amount was still outstanding.

NOTE 16 SUBSEQUENT EVENTS

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, costs for emergency preparedness and shortages of personnel. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SANTA FE, NEW MEXICO
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

**Schedule of the City's Proportionate Share of the Net Pension Liability
PERA Municipal General Division
Last 10 Measurement Periods ***

	Measurement Date					
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the Net Pension Liability (Asset)	5.04 %	5.04 %	5.26 %	5.28 %	5.46 %	5.00 %
Proportionate Share of the Net Pension Liability	\$ 87,167,781	\$ 80,279,724	\$ 72,228,756	\$ 84,294,324	\$ 55,705,113	\$ 42,647,687
Covered Payroll	\$ 45,942,073	\$ 46,293,968	\$ 46,164,487	\$ 45,175,990	\$ 45,329,706	\$ 44,378,612
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	189.73%	173.41%	156.46%	186.56 %	122.89 %	96.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.52 %	71.13 %	73.74 %	69.18 %	76.99 %	81.00 %

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the District will continue to present information for the years the information is available.

**Schedule of the City's Proportionate Share of the Net Pension Liability
PERA Municipal Police Division
Last 10 Measurement Periods ***

	Measurement Date					
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the Net Pension Liability (Asset)	4.01 %	4.51 %	4.73 %	4.49 %	4.71 %	4.00 %
Proportionate Share of the Net Pension Liability	\$ 29,585,909	\$ 30,741,220	\$ 26,273,806	\$ 33,098,305	\$ 22,640,627	\$ 15,588,474
Covered Payroll	\$ 8,909,101	\$ 7,518,896	\$ 9,746,730	\$ 8,900,280	\$ 9,228,017	\$ 9,209,308
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	332.09%	408.85%	269.57%	370.97 %	245.35 %	169.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.52 %	71.13 %	73.74 %	69.18 %	76.99 %	81.00 %

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the District will continue to present information for the years the information is available.

**CITY OF SANTA FE, NEW MEXICO
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2020**

**Schedule of the City's Proportionate Share of the Net Pension Liability
PERA Municipal Fire Division
Last 10 Measurement Periods ***

	Measurement Date					
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the Net Pension Liability (Asset)	6.44 %	6.64 %	6.76 %	7.07 %	6.89 %	7.17 %
Proportionate Share of the Net Pension Liability	\$ 44,258,054	\$ 42,523,848	\$ 38,675,254	\$ 47,146,743	\$ 35,553,318	\$ 29,910,003
Covered Payroll	\$ 8,569,312	\$ 8,442,319	\$ 7,848,810	\$ 7,848,810	\$ 7,848,819	\$ 7,981,492
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Payroll	516.47%	503.70%	492.75%	572.29 %	452.98 %	374.74 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.52 %	71.13 %	73.74 %	69.18 %	76.99 %	81.29 %

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the District will continue to present information for the years the information is available.

**CITY OF SANTA FE, NEW MEXICO
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2020**

**Schedule of Employer Contributions
PERA Municipal General Division
Last 10 Fiscal Years ***

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contributions	\$ 4,131,508	\$ 4,387,468	\$ 4,421,074	\$ 4,408,708	\$ 4,167,065	\$ 8,958,197
Contributions in Relation to the Contractually Required Contribution	(4,131,508)	(4,387,468)	(4,421,074)	(4,408,708)	(4,167,065)	(8,958,197)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 42,176,976	\$ 45,942,073	\$ 46,293,968	\$ 46,164,487	\$ 45,175,990	\$ 45,329,706
Contributions as a Percentage of Covered Payroll	9.80 %	9.55 %	9.55 %	9.55 %	9.22 %	19.76 %

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the District will continue to present information for the years the information is available.

**Schedule of Employer Contributions
PERA Municipal Police Division
Last 10 Fiscal Years ***

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contributions	\$ 1,560,513	\$ 1,683,820	\$ 1,799,071	\$ 1,842,132	\$ 1,682,505	\$ 2,975,446
Contributions in Relation to the Contractually Required Contribution	(1,560,513)	(1,683,820)	(1,799,071)	(1,842,132)	(1,682,505)	(2,975,446)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 8,999,173	\$ 8,909,101	\$ 9,518,896	\$ 9,746,730	\$ 8,900,280	\$ 9,228,017
Contributions as a Percentage of Covered Payroll	17.34 %	18.90 %	18.90 %	18.90 %	18.90 %	32.24 %

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the District will continue to present information for the years the information is available.

**CITY OF SANTA FE, NEW MEXICO
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2020**

**Schedule of Employer Contributions
PERA Municipal Fire Division
Last 10 Fiscal Years ***

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contributions	\$ 1,727,783	\$ 1,855,256	\$ 1,827,762	\$ 1,773,462	\$ 1,682,505	\$ 2,975,446
Contributions in Relation to the Contractually Required Contribution	(1,727,783)	(1,855,256)	(1,827,762)	(1,773,462)	(1,682,505)	(2,975,446)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	<u>\$ 8,473,415</u>	<u>\$ 8,569,312</u>	<u>\$ 8,442,319</u>	<u>\$ 7,848,810</u>	<u>\$ 7,848,819</u>	<u>\$ 7,848,819</u>
Contributions as a Percentage of Covered Payroll	20.39 %	21.65 %	21.65 %	22.60 %	21.44 %	37.91 %

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the District will continue to present information for the years the information is available.

CITY OF SANTA FE, NEW MEXICO
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

Changes of Benefit Terms

The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY 19 audit available at:

<http://s3.amazonaws.com/boardaudio/cafr/NM%20PERA%20CAFR%202019%20Final.pdf>

<http://s3.amazonaws.com/boardaudio/cafr/NM%20PERA%20CAFR%202019%20Final.pdf>

Changes of Assumptions

The Public Employees Retirement Association (PERA) of the New Mexico Annual Actuarial Valuation as of June 30, 2019 is available at:

https://www.nmpera.org/assets/uploads/home-banner/6-30-2019-PERA-Valuation-Report-FINAL_191107_105646.pdf

The Summary of Key Findings for PERA Fund (on page 2 of the report) states “based on the current statutory rates and actuarial assumptions, the UAAL is projected to be fully amortized in 56 years.” For details about changes in the actuarial assumptions, see Appendix B of the report.

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
NM RETIREE HEALTH CARE AUTHORITY (NMRHCA) PLAN
LAST 10 FISCAL YEARS***

	Measurement Date		
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
City's proportion of the net OPEB liability	1.57395%	1.60610%	1.54336%
City's proportionate share of the net OPEB liability	\$ 49,562,956	\$ 69,838,711	\$ 69,732,971
City's covered-employee payroll	\$ 61,730,000	\$ 64,392,990	\$ 61,850,783
City's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	80.29%	108.46%	112.74%
Plan fiduciary net position as a percentage of the total OPEB liability	18.92%	13.14%	11.34%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the City will continue to present information for the years the information is available.

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF THE CITY'S OPEB CONTRIBUTIONS
NM RETIREE HEALTH CARE AUTHORITY (NMRHCA) PLAN
LAST 10 FISCAL YEARS***

	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017
Contractually required contribution	\$ 1,277,038	\$ 1,321,022	\$ 1,375,677	\$ 1,321,178
Contributions in relation to the contractually required contribution	<u>1,277,038</u>	<u>1,321,022</u>	<u>1,375,677</u>	<u>1,321,178</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 59,640,075	\$ 61,730,000	\$ 64,392,990	\$ 61,850,783
Contributions as a percentage of covered-employee payroll	2.14%	2.14%	2.14%	2.14%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the City will continue to present information for the years the information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes of Benefit Terms

The Retiree Health Care Authority (RHCA), COLA and age eligibility benefits changes in recent years are described in the Notes to the RHCA FY19 audit available at <http://saonm.org/> using the Audit Search function for agency 343.

Changes of Assumptions

The Retiree Health Care Authority (RHCA) of New Mexico Biennial Actuarial Valuation as of June 30, 2019 report is available at <http://saonm.org/> using the Audit Search function for agency 343.

SUPPLEMENTARY INFORMATION

CITY OF SANTA FE, NEW MEXICO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and Investments	\$ 26,898,269	\$ 33,069,561	\$ 59,967,830
Cash Restricted for Debt Service Payments	-	-	-
Cash Restricted for State-Mandated Cash Balances	-	-	-
Cash Restricted for Endowment	255,656	-	255,656
Receivables:			
State-Shared Taxes	434,126	-	434,126
Local Taxes	394,336	1,354,899	1,749,235
Property Taxes	-	-	-
Motor	-	86,054	86,054
Interest	12,286	24,880	37,166
Ambulance, Net of Allowances	-	-	-
Grants, Restricted	1,735,613	678,465	2,414,078
Other Receivables, Net	7,041,023	-	7,041,023
Due from Other Funds	420,889	-	420,889
Supplies Inventory	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 37,192,198</u>	<u>\$ 35,213,859</u>	<u>\$ 72,406,057</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)			
Liabilities:			
Accounts Payable	\$ 1,462,327	\$ 2,034,996	\$ 3,497,323
Pooled Cash - Cash Overdrawn	16,848	-	16,848
Accrued Wages Payable	315,180	113,813	428,993
Due to Other Funds	573,566	18,247,219	18,820,785
Unearned Revenue	-	-	-
Due to Other Governments	-	-	-
Deposits and Escrow	385,068	-	385,068
Gross Receipts Taxes Payable	-	-	-
Other Current Liabilities	45,294	-	45,294
Compensated Absence Payable	-	-	-
Total Liabilities	<u>2,798,283</u>	<u>20,396,028</u>	<u>23,194,311</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>6,346,312</u>	<u>-</u>	<u>6,346,312</u>
Total Deferred Inflows of Resources	<u>6,346,312</u>	<u>-</u>	<u>6,346,312</u>
Fund Balance (Deficit):			
Nonspendable	255,656	-	255,656
Restricted	21,691,474	11,226,986	32,918,460
Committed	2,055,893	-	2,055,893
Assigned	4,086,477	13,815,882	17,902,359
Unassigned	(41,897)	(10,225,037)	(10,266,934)
Total Fund Balance (Deficit)	<u>28,047,603</u>	<u>14,817,831</u>	<u>42,865,434</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 37,192,198</u>	<u>\$ 35,213,859</u>	<u>\$ 72,406,057</u>

CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Special Revenue	Capital Projects	Total
REVENUES			
Gross Receipts Taxes	\$ 5,527,392	\$ 9,117,744	\$ 14,645,136
Motor Taxes	-	1,262,041	1,262,041
Lodgers' Taxes	9,947,568	-	9,947,568
Property Taxes	-	-	-
Franchise	41,525	-	41,525
Licenses and Permits	45,197	-	45,197
Fees and Charges for Services	5,376,964	-	5,376,964
Fines and Forfeitures	53,378	37,797	91,175
Intergovernmental:			
Federal	1,445,853	-	1,445,853
State	3,581,973	978,055	4,560,028
Local	97,302	-	97,302
Rents, Royalties, and Concessions	257,210	-	257,210
Investment Income (Loss)	152,416	229,434	381,850
Other Revenues	432,022	77,978	510,000
Total Revenues	<u>26,958,800</u>	<u>11,703,049</u>	<u>38,661,849</u>
EXPENDITURES			
Current:			
Salaries, Wages, and Fringe Benefits	7,135,737	2,233,715	9,369,452
Contractual Services and Utilities	6,423,597	1,605,218	8,028,815
Repairs and Maintenance	84,834	97,426	182,260
Supplies	1,704,860	99,296	1,804,156
Capital Outlay - Inventory-Exempt Items	448,645	-	448,645
Depreciation Expense	-	-	-
Insurance Premiums	51,056	286	51,342
Claims and Judgements	-	-	-
BDD - Source of Supply	-	-	-
Other	3,878,629	203,679	4,082,308
Total Current Expenditures	<u>19,727,358</u>	<u>4,239,620</u>	<u>23,966,978</u>
Capital Outlay	1,920,741	17,058,284	18,979,025
Debt Service:			
Principal Payments	-	-	-
Interest	-	-	-
Bond Issuance Costs	10,709	-	10,709
Total Expenditures	<u>21,658,808</u>	<u>21,297,904</u>	<u>42,956,712</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,299,992	(9,594,855)	(4,294,863)
OTHER FINANCING SOURCES (USES)			
Transfers In	5,486,756	6,258,741	11,745,497
Transfers Out	(5,000,389)	(21,355,966)	(26,356,355)
Proceeds from Sale of Capital Assets	21,170	-	21,170
Issuance of Note	-	-	-
Payments to Bond Escrow	-	-	-
Bond Proceeds	-	-	-
Premiums on Bonds Issues	-	-	-
Total Other Financing Sources (Uses)	<u>507,537</u>	<u>(15,097,225)</u>	<u>(14,589,688)</u>
NET CHANGE IN FUND BALANCE	5,807,529	(24,692,080)	(18,884,551)
Fund Balances - Beginning of Year	<u>22,240,074</u>	<u>39,509,911</u>	<u>61,749,985</u>
FUND BALANCES - END OF YEAR	<u>\$ 28,047,603</u>	<u>\$ 14,817,831</u>	<u>\$ 42,865,434</u>

**CITY OF SANTA FE, NEW MEXICO
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2020**

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes.

Capital Equipment Reserve – to account for proceeds from the sale of City-owned assets and for transfers for contingent purposes. Council Directive

Franchise Fee - to account for proceeds from the franchise fee collected from Comcast.

Economic Development – to account for funds designated to promote business in Santa Fe. Section 5-10-1 to 13 NMSA 1978

Lodgers' Tax Fund – to account for taxes raised from the special Lodgers' Tax per Ordinance No. 1969-13 and 1987-45. Revenues are utilized for promotion of tourist development, advertising, and future improvements to the convention center. Section 3-8-13 to 24 NMSA 1978

Public Campaign – to account for contributions given to any candidate who is seeking election to a Santa Fe City municipal office. Ord. 2009-44 and Ord. 2011-28

Animal Services – to account for revenues related to regulation and control of animal services. Section 3-18-3 NMSA 1978

Emergency Service Grants – to account for grants from the State of New Mexico. The grants are used to upgrade emergency medical services. Section 24-IOA-1 to 9 NMSA 1978

Fire Environmental Services – to account for City and grant monies received for the purpose of clearing wild land areas within the City of Santa Fe to reduce fire danger. City Ord. 7-19D-10

Law Enforcement Grants – to account for City and grant funds and service charges received for the purpose of developing public awareness on crime prevention, administering DWI programs, and public safety related expenditures. Section 29-13-1 to 9 NMSA 1978

City Drainage Projects – to account for expenditures related to drainage projects.

Impact Fee Fund/Projects – to account for the collection of arterial, parks, police, and fire impact fees and signalization impact fees collected by the City and the projects they fund. Section 5-8-4 NMSA 1978

Transportation Grants – to account for grant funds received through the State of New Mexico for purposes of designing and implementing multi-modal transportation planning programs. Section 3-52-14 NMSA 1978

**CITY OF SANTA FE, NEW MEXICO
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2020**

Community Development Grants – to account for the City, Federal, and State grant awards. These funds are used for various projects such as homebuyer's assistance, emergency shelter for the homeless, and other community development projects. Section 3-60-26 NMSA 1978

Senior Citizen Grants – to account for Federal and State grant funds used to operate programs providing social services, in-home services, meals, transportation, and companionship to senior citizens. Section 28-4-1 NMSA 1978

Historic Preservation Grant – to account for funding received through the State of New Mexico for the purpose of performing archaeological and historic surveys. Section 18-8-4 NMSA 1978

Library Fund – to account for a grant from the State of New Mexico for library development purposes. Section 18-2-5 NMSA 1978

NEA Grants – funds distributed into the public schools through the Santa Fe Partners in Education.

Plaza Use – to account for funds appropriated for planning the use of the Plaza area. This fund was established by Resolution No. 1981-19.

Public Facilities Purchase Fund – to account for money donated by subdividers in lieu of land contributions per Ordinance No. 1 982-11. State law requires the contributions from subdividers in order to enable the development of public facilities in new subdivisions.

Quality of Life Fund – to account for a portion of gross receipts taxes collected by the State of New Mexico per Ordinance 1993-40. The proceeds are used to fund projects in the areas of recreation, open space acquisition, libraries, and parks.

Recreation Programs – to account for 1) the portion of the state-shared gross receipts tax received by the City and required by State law to be used for recreation purposes, and 2) a U.S. Department of Agriculture grant used to provide lunches to children who are participants in the summer recreation program. Sections 7-1-6 .1 IA and 7-12-15 & 16 NMSA 1978

Land Development – to account for the sale and construction of affordable housing associated with mortgage agreements.

Special Recreation Leagues – to account for the assets, investment earnings, and operations of various City-sponsored recreation leagues.

CITY OF SANTA FE, NEW MEXICO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –
SPECIAL REVENUE FUNDS
JUNE 30, 2020

	General Government				
	Capital Equipment Reserve	Franchise Fee	Economic Development	Lodger's Tax Fund	Public Campaign
ASSETS					
Cash and Investments	\$ 351,910	\$ 6,991	\$ 942,602	\$ 3,643,518	\$ 739,823
Cash Restricted for Debt Service Payments	-	-	-	-	-
Cash Restricted for State-Mandated					
Cash Balances	-	-	-	-	-
Cash Restricted for Endowment	-	-	-	-	-
Receivables:					
State-Shared Taxes	-	-	67,330	-	-
Local Taxes	-	17,345	-	-	-
Property Taxes	-	-	-	-	-
Motor	-	-	-	-	-
Interest	-	-	-	2,629	-
Ambulance, Net of Allowances	-	-	-	-	-
Grants, Restricted	-	-	-	-	-
Other Receivables, Net	-	-	58,198	482,315	-
Due from Other Funds	-	-	(9,355)	-	-
Supplies Inventory	-	-	-	-	-
	<u>\$ 351,910</u>	<u>\$ 24,336</u>	<u>\$ 1,058,775</u>	<u>\$ 4,128,462</u>	<u>\$ 739,823</u>
Total Assets					
	<u>\$ 351,910</u>	<u>\$ 24,336</u>	<u>\$ 1,058,775</u>	<u>\$ 4,128,462</u>	<u>\$ 739,823</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 60,222	\$ 382,550	\$ -
Pooled Cash - Cash Overdrawn	-	16,848	-	-	-
Accrued Wages Payable	-	-	10,420	80,089	-
Due to Other Funds	-	-	451	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deposits and Escrow	-	-	3,600	5,500	-
Gross Receipts Taxes Payable	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Compensated Absence Payable	-	-	-	-	-
Total Liabilities	-	16,848	74,693	468,139	-
Deferred Inflows of Resources:					
Unavailable Revenue	-	-	60,762	-	-
Total Deferred Inflows of Resources	-	-	60,762	-	-
Fund Balance (Deficit):					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	3,679,301	-
Committed	351,910	-	-	-	739,823
Assigned	-	7,488	923,320	-	-
Unassigned	-	-	-	(18,978)	-
Total Fund Balance (Deficit)	<u>351,910</u>	<u>7,488</u>	<u>923,320</u>	<u>3,660,323</u>	<u>739,823</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 351,910</u>	<u>\$ 24,336</u>	<u>\$ 1,058,775</u>	<u>\$ 4,128,462</u>	<u>\$ 739,823</u>

CITY OF SANTA FE, NEW MEXICO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2020

	Total General Government	Public Safety				Total Public Safety
		Animal Services	Emergency Service Grants	Fire Environmental Services	Law Enforcement Grants	
ASSETS						
Cash and Investments	\$ 5,684,844	\$ 172,578	\$ 1,000,561	\$ 444,085	\$ 2,830,695	\$ 4,447,919
Cash Restricted for Debt Service Payments	-	-	-	-	-	-
Cash Restricted for State-Mandated Cash Balances	-	-	-	-	-	-
Cash Restricted for Endowment	-	-	-	-	-	-
Receivables:						
State-Shared Taxes	67,330	-	-	-	-	-
Local Taxes	17,345	-	-	-	376,991	376,991
Property Taxes	-	-	-	-	-	-
Motor	-	-	-	-	-	-
Interest	2,629	-	750	-	-	750
Ambulance, Net of Allowances	-	-	-	-	-	-
Grants, Restricted	-	-	212,146	212,164	30,439	454,749
Other Receivables, Net	540,513	-	4,074,403	-	112,940	4,187,343
Due from Other Funds	-	-	-	-	458,172	458,172
Supplies Inventory	-	-	-	-	-	-
Total Assets	\$ 6,312,661	\$ 172,578	\$ 5,287,860	\$ 656,249	\$ 3,809,237	\$ 9,925,924
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)						
Liabilities:						
Accounts Payable	\$ 442,772	\$ -	\$ 25,255	\$ 11,737	\$ 198,533	\$ 235,525
Pooled Cash - Cash Overdrawn	16,848	-	-	-	-	-
Accrued Wages Payable	90,509	-	9,030	5,410	-	14,440
Due to Other Funds	9,806	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-
Deposits and Escrow	9,100	-	-	-	-	-
Gross Receipts Taxes Payable	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	33,294	33,294
Compensated Absence Payable	-	-	-	-	-	-
Total Liabilities	569,035	-	34,285	17,147	231,827	283,259
Deferred Inflows of Resources:						
Unavailable Revenue	60,762	-	4,074,402	90,999	-	4,165,401
Total Deferred Inflows of Resources	60,762	-	4,074,402	90,999	-	4,165,401
Fund Balance (Deficit):						
Nonspendable	-	-	-	-	-	-
Restricted	3,679,301	172,578	-	-	3,577,410	3,749,988
Committed	1,091,733	-	-	-	-	-
Assigned	930,808	-	1,181,327	548,103	-	1,729,430
Unassigned	(18,978)	-	(2,154)	-	-	(2,154)
Total Fund Balance (Deficit)	5,682,864	172,578	1,179,173	548,103	3,577,410	5,477,264
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 6,312,661	\$ 172,578	\$ 5,287,860	\$ 656,249	\$ 3,809,237	\$ 9,925,924

CITY OF SANTA FE, NEW MEXICO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2020

	Public Works			Total Public Works
	City Drainage Projects	Impact Fee Projects	Transportation Grants	
ASSETS				
Cash and Investments	\$ 928,719	\$ 6,629,766	\$ 170,236	\$ 7,728,721
Cash Restricted for Debt Service Payments	-	-	-	-
Cash Restricted for State-Mandated				
Cash Balances	-	-	-	-
Cash Restricted for Endowment	-	-	-	-
Receivables:				
State-Shared Taxes	-	-	-	-
Local Taxes	-	-	-	-
Property Taxes	-	-	-	-
Motor	-	-	-	-
Interest	-	4,419	-	4,419
Ambulance, Net of Allowances	-	-	-	-
Grants, Restricted	-	-	112,853	112,853
Other Receivables, Net	193,018	-	-	193,018
Due from Other Funds	-	-	-	-
Supplies Inventory	-	-	-	-
	<u>\$ 1,121,737</u>	<u>\$ 6,634,185</u>	<u>\$ 283,089</u>	<u>\$ 8,039,011</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)				
Liabilities:				
Accounts Payable	\$ 73,235	\$ -	\$ 4,353	\$ 77,588
Pooled Cash - Cash Overdrawn	-	-	-	-
Accrued Wages Payable	19,568	-	16,168	35,736
Due to Other Funds	-	-	-	-
Unearned Revenue	-	-	-	-
Due to Other Governments	-	-	-	-
Deposits and Escrow	-	-	-	-
Gross Receipts Taxes Payable	-	-	-	-
Other Current Liabilities	-	12,000	-	12,000
Compensated Absence Payable	-	-	-	-
Total Liabilities	<u>92,803</u>	<u>12,000</u>	<u>20,521</u>	<u>125,324</u>
Deferred Inflows of Resources:				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit):				
Nonspendable	-	-	-	-
Restricted	-	6,622,185	262,568	6,884,753
Committed	-	-	-	-
Assigned	1,033,603	-	-	1,033,603
Unassigned	(4,669)	-	-	(4,669)
Total Fund Balance (Deficit)	<u>1,028,934</u>	<u>6,622,185</u>	<u>262,568</u>	<u>7,913,687</u>
	<u>\$ 1,121,737</u>	<u>\$ 6,634,185</u>	<u>\$ 283,089</u>	<u>\$ 8,039,011</u>

CITY OF SANTA FE, NEW MEXICO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2020

	Community Development		
	Community Development Grants	Senior Citizen Grants	Total Community Development
ASSETS			
Cash and Investments	\$ 3,103,282	\$ 663,192	\$ 3,766,474
Cash Restricted for Debt Service Payments	-	-	-
Cash Restricted for State-Mandated			
Cash Balances	-	-	-
Cash Restricted for Endowment	-	-	-
Receivables:			
State-Shared Taxes	217,856	-	217,856
Local Taxes	-	-	-
Property Taxes	-	-	-
Motor	-	-	-
Interest	1,725	-	1,725
Ambulance, Net of Allowances	-	-	-
Grants, Restricted	584,726	583,285	1,168,011
Other Receivables, Net	-	-	-
Due from Other Funds	381,212	-	381,212
Supplies Inventory	-	-	-
	<u>\$ 4,288,801</u>	<u>\$ 1,246,477</u>	<u>\$ 5,535,278</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)			
Liabilities:			
Accounts Payable	\$ 585,972	\$ 6,799	\$ 592,771
Pooled Cash - Cash Overdrawn	-	-	-
Accrued Wages Payable	3,805	135,008	138,813
Due to Other Funds	1,529	-	1,529
Unearned Revenue	-	-	-
Due to Other Governments	-	-	-
Deposits and Escrow	375,968	-	375,968
Gross Receipts Taxes Payable	-	-	-
Other Current Liabilities	-	-	-
Compensated Absence Payable	-	-	-
Total Liabilities	<u>967,274</u>	<u>141,807</u>	<u>1,109,081</u>
Deferred Inflows of Resources:			
Unavailable Revenue	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit):			
Nonspendable	-	-	-
Restricted	3,322,434	1,119,859	4,442,293
Committed	-	-	-
Assigned	-	-	-
Unassigned	(907)	(15,189)	(16,096)
Total Fund Balance (Deficit)	<u>3,321,527</u>	<u>1,104,670</u>	<u>4,426,197</u>
	<u>\$ 4,288,801</u>	<u>\$ 1,246,477</u>	<u>\$ 5,535,278</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 4,288,801</u>	<u>\$ 1,246,477</u>	<u>\$ 5,535,278</u>

CITY OF SANTA FE, NEW MEXICO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2020

	Culture and Recreation				
	Historic Preservation Grants	Library Fund	NEA Grants	Plaza Use	Public Facilities Purchase
ASSETS					
Cash and Investments	\$ 275,526	\$ 476,186	\$ 34,519	\$ 161,224	\$ 56,902
Cash Restricted for Debt Service Payments	-	-	-	-	-
Cash Restricted for State-Mandated					
Cash Balances	-	-	-	-	-
Cash Restricted for Endowment	-	255,656	-	-	-
Receivables:					
State-Shared Taxes	-	-	-	-	-
Local Taxes	-	-	-	-	-
Property Taxes	-	-	-	-	-
Motor	-	-	-	-	-
Interest	-	350	-	-	-
Ambulance, Net of Allowances	-	-	-	-	-
Grants, Restricted	-	-	-	-	-
Other Receivables, Net	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Supplies Inventory	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 275,526</u>	<u>\$ 732,192</u>	<u>\$ 34,519</u>	<u>\$ 161,224</u>	<u>\$ 56,902</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)					
Liabilities:					
Accounts Payable	\$ 7,768	\$ 1,108	\$ -	\$ 2,937	\$ -
Pooled Cash - Cash Overdrawn	-	-	-	-	-
Accrued Wages Payable	-	25,452	-	-	-
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deposits and Escrow	-	-	-	-	-
Gross Receipts Taxes Payable	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Compensated Absence Payable	-	-	-	-	-
Total Liabilities	<u>7,768</u>	<u>26,560</u>	<u>-</u>	<u>2,937</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit):					
Nonspendable	-	255,656	-	-	-
Restricted	267,758	449,976	-	-	-
Committed	-	-	-	158,287	56,902
Assigned	-	-	34,519	-	-
Unassigned	-	-	-	-	-
Total Fund Balance (Deficit)	<u>267,758</u>	<u>705,632</u>	<u>34,519</u>	<u>158,287</u>	<u>56,902</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 275,526</u>	<u>\$ 732,192</u>	<u>\$ 34,519</u>	<u>\$ 161,224</u>	<u>\$ 56,902</u>

CITY OF SANTA FE, NEW MEXICO
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –
SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2020

	Culture and Recreation				Total Culture and Recreation
	Quality of Life Fund	Recreation Programs	Land Development	Special Recreation Leagues	
ASSETS					
Cash and Investments	\$ 751,964	\$ 2,596,490	\$ 831,560	\$ 85,940	\$ 5,270,311
Cash Restricted for Debt Service Payments	-	-	-	-	-
Cash Restricted for State-Mandated					
Cash Balances	-	-	-	-	-
Cash Restricted for Endowment	-	-	-	-	255,656
Receivables:					
State-Shared Taxes	-	148,940	-	-	148,940
Local Taxes	-	-	-	-	-
Property Taxes	-	-	-	-	-
Motor	-	-	-	-	-
Interest	-	1,796	617	-	2,763
Ambulance, Net of Allowances	-	-	-	-	-
Grants, Restricted	-	-	-	-	-
Other Receivables, Net	-	-	2,120,149	-	2,120,149
Due from Other Funds	-	(418,495)	-	-	(418,495)
Supplies Inventory	-	-	-	-	-
Total Assets	<u>\$ 751,964</u>	<u>\$ 2,328,731</u>	<u>\$ 2,952,326</u>	<u>\$ 85,940</u>	<u>\$ 7,379,324</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)					
Liabilities:					
Accounts Payable	\$ 2,993	\$ 98,865	\$ -	\$ -	\$ 113,671
Pooled Cash - Cash Overdrawn	-	-	-	-	-
Accrued Wages Payable	-	10,230	-	-	35,682
Due to Other Funds	-	2,231	560,000	-	562,231
Unearned Revenue	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deposits and Escrow	-	-	-	-	-
Gross Receipts Taxes Payable	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Compensated Absence Payable	-	-	-	-	-
Total Liabilities	<u>2,993</u>	<u>111,326</u>	<u>560,000</u>	<u>-</u>	<u>711,584</u>
Deferred Inflows of Resources:					
Unavailable Revenue	-	-	2,120,149	-	2,120,149
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>2,120,149</u>	<u>-</u>	<u>2,120,149</u>
Fund Balance (Deficit):					
Nonspendable	-	-	-	-	255,656
Restricted	-	2,217,405	-	-	2,935,139
Committed	748,971	-	-	-	964,160
Assigned	-	-	272,177	85,940	392,636
Unassigned	-	-	-	-	-
Total Fund Balance (Deficit)	<u>748,971</u>	<u>2,217,405</u>	<u>272,177</u>	<u>85,940</u>	<u>4,547,591</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 751,964</u>	<u>\$ 2,328,731</u>	<u>\$ 2,952,326</u>	<u>\$ 85,940</u>	<u>\$ 7,379,324</u>

CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL
FUNDS – SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2020

	General Government				
	Capital Equipment Reserve	Franchise Fee	Economic Development	Lodger's Tax Fund	Public Campaign
REVENUES					
Gross Receipts Taxes	\$ -	\$ -	\$ 454,575	\$ -	\$ -
Motor Taxes	-	-	-	-	-
Lodgers' Taxes	-	-	-	9,947,568	-
Property Taxes	-	-	-	-	-
Franchise	-	41,525	-	-	-
Licenses and Permits	-	-	-	200	-
Fees and Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental:					
Federal	-	-	-	-	-
State	-	-	200,000	-	-
Local	-	-	-	-	-
Rents, Royalties, and Concessions	-	-	257,210	-	-
Investment Income (Loss)	-	-	-	20,978	-
Other Revenues	-	-	33,507	243,411	-
Total Revenues	<u>-</u>	<u>41,525</u>	<u>945,292</u>	<u>10,212,157</u>	<u>-</u>
EXPENDITURES					
Current:					
Salaries, Wages, and Fringe Benefits	-	-	192,840	1,895,043	-
Contractual Services and Utilities	407	-	593,804	930,881	-
Repairs and Maintenance	469	-	-	15,397	-
Supplies	-	-	9,802	72,113	-
Capital Outlay - Inventory-Exempt Items	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Insurance Premiums	-	-	10,346	37,633	-
Claims and Judgements	-	-	-	-	-
BDD - Source of Supply	-	-	-	-	-
Other	-	-	20,810	3,276,263	58,018
Total Current Expenditures	<u>876</u>	<u>-</u>	<u>827,602</u>	<u>6,227,330</u>	<u>58,018</u>
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	361	-	-
Total Expenditures	<u>876</u>	<u>-</u>	<u>827,963</u>	<u>6,227,330</u>	<u>58,018</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(876)	41,525	117,329	3,984,827	(58,018)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	506,284	30,000	150,000
Transfers Out	-	(20,000)	(20,000)	(4,607,227)	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Issuance of Note	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-
Proceeds of Refunding Bonds	-	-	-	-	-
Premiums on Bonds Issues	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(20,000)</u>	<u>486,284</u>	<u>(4,577,227)</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCE	(876)	21,525	603,613	(592,400)	91,982
Fund Balances - Beginning of Year	<u>352,786</u>	<u>(14,037)</u>	<u>319,707</u>	<u>4,252,723</u>	<u>647,841</u>
FUND BALANCES - END OF YEAR	<u>\$ 351,910</u>	<u>\$ 7,488</u>	<u>\$ 923,320</u>	<u>\$ 3,660,323</u>	<u>\$ 739,823</u>

CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL
FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

	Total General Government	Public Safety				Total Public Safety
		Animal Services	Emergency Service Grants	Fire Environmental Services	Law Enforcement Grants	
REVENUES						
Gross Receipts Taxes	\$ 454,575	\$ -	\$ -	\$ -	\$ 2,596,408	\$ 2,596,408
Motor Taxes	-	-	-	-	-	-
Lodgers' Taxes	9,947,568	-	-	-	-	-
Property Taxes	-	-	-	-	-	-
Franchise	41,525	-	-	-	-	-
Licenses and Permits	200	11,660	-	-	-	11,660
Fees and Charges for Services	-	-	-	-	508,071	508,071
Fines and Forfeitures	-	27,080	-	-	11,141	38,221
Intergovernmental:						
Federal	-	-	171,640	1	-	171,641
State	200,000	-	1,076,230	372,408	260,630	1,709,268
Local	-	-	27,900	-	-	27,900
Rents, Royalties, and Concessions	257,210	-	-	-	-	-
Investment Income (Loss)	20,978	-	8,463	-	-	8,463
Other Revenues	276,918	6	1,854	1,658	102,190	105,708
Total Revenues	11,198,974	38,746	1,286,087	374,067	3,478,440	5,177,340
EXPENDITURES						
Current:						
Salaries, Wages, and Fringe Benefits	2,087,883	-	202,301	130,673	32,455	365,429
Contractual Services and Utilities	1,525,092	-	167,828	91,001	834,518	1,093,347
Repairs and Maintenance	15,866	-	3,284	-	26,815	30,099
Supplies	81,915	82	155,635	-	665,709	821,426
Capital Outlay - Inventory-Exempt Items	-	57	14,897	-	419,864	434,818
Depreciation Expense	-	-	-	-	-	-
Insurance Premiums	47,979	-	-	-	-	-
Claims and Judgements	-	-	-	-	-	-
BDD - Source of Supply	-	-	-	-	-	-
Other	3,355,091	730	89,469	-	124,076	214,275
Total Current Expenditures	7,113,826	869	633,414	221,674	2,103,437	2,959,394
Capital Outlay	-	-	700,641	-	106,858	807,499
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Bond Issuance Costs	361	-	-	-	10,348	10,348
Total Expenditures	7,114,187	869	1,334,055	221,674	2,220,643	3,777,241
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,084,787	37,877	(47,968)	152,393	1,257,797	1,400,099
OTHER FINANCING SOURCES (USES)						
Transfers In	686,284	-	202,425	-	-	202,425
Transfers Out	(4,647,227)	-	(123,162)	-	-	(123,162)
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Issuance of Note	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-
Proceeds of Refunding Bonds	-	-	-	-	-	-
Premiums on Bonds Issues	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(3,960,943)	-	79,263	-	-	79,263
NET CHANGE IN FUND BALANCE	123,844	37,877	31,295	152,393	1,257,797	1,479,362
Fund Balances - Beginning of Year	5,559,020	134,701	1,147,878	395,710	2,319,613	3,997,902
FUND BALANCES - END OF YEAR	\$ 5,682,864	\$ 172,578	\$ 1,179,173	\$ 548,103	\$ 3,577,410	\$ 5,477,264

CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL
FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

	Public Works			Total Public Works
	City Drainage Projects	Impact Fee Projects	Transportation Grants	
REVENUES				
Gross Receipts Taxes	\$ -	\$ -	\$ -	\$ -
Motor Taxes	-	-	-	-
Lodgers' Taxes	-	-	-	-
Property Taxes	-	-	-	-
Franchise	-	-	-	-
Licenses and Permits	-	-	-	-
Fees and Charges for Services	2,221,510	1,243,002	-	3,464,512
Fines and Forfeitures	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	350,952	350,952
Local	-	-	44,402	44,402
Rents, Royalties, and Concessions	-	-	-	-
Investment Income (Loss)	-	89,916	-	89,916
Other Revenues	-	-	3,684	3,684
Total Revenues	<u>2,221,510</u>	<u>1,332,918</u>	<u>399,038</u>	<u>3,953,466</u>
EXPENDITURES				
Current:				
Salaries, Wages, and Fringe Benefits	381,050	-	344,715	725,765
Contractual Services and Utilities	432,638	-	111,169	543,807
Repairs and Maintenance	-	-	575	575
Supplies	16,882	-	2,397	19,279
Capital Outlay - Inventory-Exempt Items	195	-	-	195
Depreciation Expense	-	-	-	-
Insurance Premiums	-	-	-	-
Claims and Judgements	-	-	-	-
BDD - Source of Supply	-	-	-	-
Other	28,555	134	19,079	47,768
Total Current Expenditures	<u>859,320</u>	<u>134</u>	<u>477,935</u>	<u>1,337,389</u>
Capital Outlay	634,536	-	-	634,536
Debt Service:				
Principal Payments	-	-	-	-
Interest	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total Expenditures	<u>1,493,856</u>	<u>134</u>	<u>477,935</u>	<u>1,971,925</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	727,654	1,332,784	(78,897)	1,981,541
OTHER FINANCING SOURCES (USES)				
Transfers In	180,485	-	75,362	255,847
Transfers Out	(200,000)	-	-	(200,000)
Proceeds from Sale of Capital Assets	-	-	-	-
Issuance of Note	-	-	-	-
Payments to Bond Escrow	-	-	-	-
Proceeds of Refunding Bonds	-	-	-	-
Premiums on Bonds Issues	-	-	-	-
Total Other Financing Sources (Uses)	<u>(19,515)</u>	<u>-</u>	<u>75,362</u>	<u>55,847</u>
NET CHANGE IN FUND BALANCE	708,139	1,332,784	(3,535)	2,037,388
Fund Balances - Beginning of Year	<u>320,795</u>	<u>5,289,401</u>	<u>266,103</u>	<u>5,876,299</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,028,934</u>	<u>\$ 6,622,185</u>	<u>\$ 262,568</u>	<u>\$ 7,913,687</u>

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL
FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

	Community Development Grants	Community Development Senior Citizen Grants	Total Community Development
REVENUES			
Gross Receipts Taxes	\$ 1,470,848	\$ -	\$ 1,470,848
Motor Taxes	-	-	-
Lodgers' Taxes	-	-	-
Property Taxes	-	-	-
Franchise	-	-	-
Licenses and Permits	-	-	-
Fees and Charges for Services	1,296,160	50,986	1,347,146
Fines and Forfeitures	-	-	-
Intergovernmental:			
Federal	782,029	492,183	1,274,212
State	39,758	1,269,755	1,309,513
Local	-	-	-
Rents, Royalties, and Concessions	-	-	-
Investment Income (Loss)	19,570	-	19,570
Other Revenues	4,158	18,238	22,396
Total Revenues	<u>3,612,523</u>	<u>1,831,162</u>	<u>5,443,685</u>
EXPENDITURES			
Current:			
Salaries, Wages, and Fringe Benefits	57,729	2,929,673	2,987,402
Contractual Services and Utilities	1,818,903	14,127	1,833,030
Repairs and Maintenance	-	35,213	35,213
Supplies	2,780	508,317	511,097
Capital Outlay - Inventory-Exempt Items	-	1,290	1,290
Depreciation Expense	-	-	-
Insurance Premiums	-	3,077	3,077
Claims and Judgements	-	-	-
BDD - Source of Supply	-	-	-
Other	6,952	241,503	248,455
Total Current Expenditures	<u>1,886,364</u>	<u>3,733,200</u>	<u>5,619,564</u>
Capital Outlay	39,758	438,948	478,706
Debt Service:			
Principal Payments	-	-	-
Interest	-	-	-
Bond Issuance Costs	-	-	-
Total Expenditures	<u>1,926,122</u>	<u>4,172,148</u>	<u>6,098,270</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,686,401	(2,340,986)	(654,585)
OTHER FINANCING SOURCES (USES)			
Transfers In	22,310	2,535,063	2,557,373
Transfers Out	-	-	-
Proceeds from Sale of Capital Assets	21,170	-	21,170
Issuance of Note	-	-	-
Payments to Bond Escrow	-	-	-
Proceeds of Refunding Bonds	-	-	-
Premiums on Bonds Issues	-	-	-
Total Other Financing Sources (Uses)	<u>43,480</u>	<u>2,535,063</u>	<u>2,578,543</u>
NET CHANGE IN FUND BALANCE	1,729,881	194,077	1,923,958
Fund Balances - Beginning of Year	<u>1,591,646</u>	<u>910,593</u>	<u>2,502,239</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,321,527</u>	<u>\$ 1,104,670</u>	<u>\$ 4,426,197</u>

CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL
FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

	Culture and Recreation				
	Historic Preservation Grants	Library Fund	NEA Grants	Plaza Use	Public Facilities Purchase
REVENUES					
Gross Receipts Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Motor Taxes	-	-	-	-	-
Lodgers' Taxes	-	-	-	-	-
Property Taxes	-	-	-	-	-
Franchise	-	-	-	-	-
Licenses and Permits	33,337	-	-	-	-
Fees and Charges for Services	-	-	-	2,600	-
Fines and Forfeitures	-	1,983	-	13,174	-
Intergovernmental:					
Federal	-	-	-	-	-
State	12,240	-	-	-	-
Local	-	25,000	-	-	-
Rents, Royalties, and Concessions	-	-	-	-	-
Investment Income (Loss)	-	10,278	-	-	-
Other Revenues	-	1,658	-	-	-
Total Revenues	<u>45,577</u>	<u>38,919</u>	<u>-</u>	<u>15,774</u>	<u>-</u>
EXPENDITURES					
Current:					
Salaries, Wages, and Fringe Benefits	-	648,118	-	-	-
Contractual Services and Utilities	17,768	124,692	-	-	-
Repairs and Maintenance	-	734	-	295	-
Supplies	-	206,373	-	16,339	-
Capital Outlay - Inventory-Exempt Items	-	12,342	-	-	-
Depreciation Expense	-	-	-	-	-
Insurance Premiums	-	-	-	-	-
Claims and Judgements	-	-	-	-	-
BDD - Source of Supply	-	-	-	-	-
Other	-	11	-	3,618	-
Total Current Expenditures	<u>17,768</u>	<u>992,270</u>	<u>-</u>	<u>20,252</u>	<u>-</u>
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Payments	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	<u>17,768</u>	<u>992,270</u>	<u>-</u>	<u>20,252</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	27,809	(953,351)	-	(4,478)	-
OTHER FINANCING SOURCES (USES)					
Transfers In	25,000	930,722	55,476	-	-
Transfers Out	-	-	(30,000)	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-
Issuance of Note	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-
Proceeds of Refunding Bonds	-	-	-	-	-
Premiums on Bonds Issues	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>930,722</u>	<u>25,476</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	52,809	(22,629)	25,476	(4,478)	-
Fund Balances - Beginning of Year	<u>214,949</u>	<u>728,261</u>	<u>9,043</u>	<u>162,765</u>	<u>56,902</u>
FUND BALANCES - END OF YEAR	<u>\$ 267,758</u>	<u>\$ 705,632</u>	<u>\$ 34,519</u>	<u>\$ 158,287</u>	<u>\$ 56,902</u>

CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL
FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

	Culture and Recreation				Total Culture and Recreation	Total Nonmajor Special Revenue Funds
	Quality of Life Fund	Recreation Programs	Land Development	Special Recreation Leagues		
REVENUES						
Gross Receipts Taxes	\$ -	\$ 1,005,561	\$ -	\$ -	\$ 1,005,561	\$ 5,527,392
Motor Taxes	-	-	-	-	-	-
Lodgers' Taxes	-	-	-	-	-	9,947,568
Property Taxes	-	-	-	-	-	-
Franchise	-	-	-	-	-	41,525
Licenses and Permits	-	-	-	-	33,337	45,197
Fees and Charges for Services	-	21,025	-	33,610	57,235	5,376,964
Fines and Forfeitures	-	-	-	-	15,157	53,378
Intergovernmental:						
Federal	-	-	-	-	-	1,445,853
State	-	-	-	-	12,240	3,581,973
Local	-	-	-	-	25,000	97,302
Rents, Royalties, and Concessions	-	-	-	-	-	257,210
Investment Income (Loss)	-	(3,751)	6,962	-	13,489	152,416
Other Revenues	9,000	12,658	-	-	23,316	432,022
Total Revenues	<u>9,000</u>	<u>1,035,493</u>	<u>6,962</u>	<u>33,610</u>	<u>1,185,335</u>	<u>26,958,800</u>
EXPENDITURES						
Current:						
Salaries, Wages, and Fringe Benefits	-	321,140	-	-	969,258	7,135,737
Contractual Services and Utilities	43,788	1,209,464	-	32,609	1,428,321	6,423,597
Repairs and Maintenance	2,052	-	-	-	3,081	84,834
Supplies	5,121	32,185	-	11,125	271,143	1,704,860
Capital Outlay - Inventory-Exempt Items	-	-	-	-	12,342	448,645
Depreciation Expense	-	-	-	-	-	-
Insurance Premiums	-	-	-	-	-	51,056
Claims and Judgements	-	-	-	-	-	-
BDD - Source of Supply	-	-	-	-	-	-
Other	4,994	3,998	19	400	13,040	3,878,629
Total Current Expenditures	<u>55,955</u>	<u>1,566,787</u>	<u>19</u>	<u>44,134</u>	<u>2,697,185</u>	<u>19,727,358</u>
Capital Outlay	-	-	-	-	-	1,920,741
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	10,709
Total Expenditures	<u>55,955</u>	<u>1,566,787</u>	<u>19</u>	<u>44,134</u>	<u>2,697,185</u>	<u>21,658,808</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(46,955)	(531,294)	6,943	(10,524)	(1,511,850)	5,299,992
OTHER FINANCING SOURCES (USES)						
Transfers In	258,410	515,219	-	-	1,784,827	5,486,756
Transfers Out	-	-	-	-	(30,000)	(5,000,389)
Proceeds from Sale of Capital Assets	-	-	-	-	-	21,170
Issuance of Note	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-
Proceeds of Refunding Bonds	-	-	-	-	-	-
Premiums on Bonds Issues	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>258,410</u>	<u>515,219</u>	<u>-</u>	<u>-</u>	<u>1,754,827</u>	<u>507,537</u>
NET CHANGE IN FUND BALANCE	211,455	(16,075)	6,943	(10,524)	242,977	5,807,529
Fund Balances - Beginning of Year	537,516	2,233,480	265,234	96,464	4,304,614	22,240,074
FUND BALANCES - END OF YEAR	<u>\$ 748,971</u>	<u>\$ 2,217,405</u>	<u>\$ 272,177</u>	<u>\$ 85,940</u>	<u>\$ 4,547,591</u>	<u>\$ 28,047,603</u>

**CITY OF SANTA FE, NEW MEXICO
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
JUNE 30, 2020**

Capital projects funds are used to account for the acquisition and construction of major capital projects other than those financed by proprietary funds.

The 1/2% Gross Receipts Tax Fund is used to account for the City's portion of gross receipts taxes collected by the State of New Mexico per Ordinance No. 1981-45. The Ordinance dedicates ½ of 1 percent for capital improvements to City facilities and street and road construction and re-construction to include any future operating expenditures (i.e. personnel or administrative costs) necessitated by the expansion of the services and facilities to the public.

Capital Improvement Projects (CIP) Reallocation - to account for accumulating interest earnings and savings on CIP to be used for other capital improvement projects as approved by the City Council.

Resource Conservation - to account for the installation of energy saving equipment at various City buildings.

Facilities CIP - to account for renovations to various City buildings.

Special Projects - to account for the cost of the City's web-based financial system.

Bond Acquisition - to account for the proceeds of the City Gross Receipts Tax Revenues Bond issues designated to fund various capital improvement projects.

City Drainage Projects - to account for the design and construction of erosion control for various City drainage and river embankment projects.

City Street Projects - to account for the design of street construction projects.

Capital Improvement Projects (CIP) Community Development - to account for projects pertaining to the City's community development.

Art for CIP Projects - to account for the financing of art in public places.

City Parks and Trails Improvements - to account for improvements to existing City parks and Trails as well as construction of future parks.

Library Improvements - to account for the design and renovation of the City's libraries.

**CITY OF SANTA FE, NEW MEXICO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS
JUNE 30, 2020**

	General Government					Total General Government
	1/2 % Gross Receipts Tax	CIP Reallocation	Resource Conservation	Facilities CIP	Special Projects	
ASSETS						
Cash and Investments	\$ 6,783,467	\$ 471,401	\$ 30,972	\$ 2,134,275	\$ 2,464,137	\$ 11,884,252
Cash Restricted for Debt Service Payments	-	-	-	-	-	-
Cash Restricted for State-Mandated						
Cash Balances	-	-	-	-	-	-
Cash Restricted for Endowment	-	-	-	-	-	-
Receivables:						
State-Shared Taxes	-	-	-	-	-	-
Local Taxes	1,354,899	-	-	-	-	1,354,899
Property Taxes	-	-	-	-	-	-
Motor	-	-	-	-	-	-
Interest	4,806	-	-	-	-	4,806
Ambulance, Net of Allowances	-	-	-	-	-	-
Grants, Restricted	-	-	-	115,746	-	115,746
Other Receivables, Net	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Supplies Inventory	-	-	-	-	-	-
Total Assets	\$ 8,143,172	\$ 471,401	\$ 30,972	\$ 2,250,021	\$ 2,464,137	\$ 13,359,703
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)						
Liabilities:						
Accounts Payable	\$ 34,817	\$ 3,310	\$ -	\$ 62,429	\$ 46,949	\$ 147,505
Accrued Wages Payable	82,207	-	-	-	-	82,207
Pooled Cash - Cash Overdrawn	-	-	-	-	-	-
Due to Other Funds	18,247,219	-	-	-	-	18,247,219
Unearned Revenue	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-
Deposits and Escrow	-	-	-	-	-	-
Gross Receipts Taxes Payable	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-
Compensated Absence Payable	-	-	-	-	-	-
Total Liabilities	18,364,243	3,310	-	62,429	46,949	18,476,931
Deferred Inflows of Resources:						
Unavailable Revenue	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Fund Balance (Deficit):						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	468,091	30,972	2,187,592	2,418,620	5,105,275
Unassigned	(10,221,071)	-	-	-	(1,432)	(10,222,503)
Total Fund Balance (Deficit)	(10,221,071)	468,091	30,972	2,187,592	2,417,188	(5,117,228)
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 8,143,172	\$ 471,401	\$ 30,972	\$ 2,250,021	\$ 2,464,137	\$ 13,359,703

**CITY OF SANTA FE, NEW MEXICO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS (CONTINUED)
JUNE 30, 2020**

	Public Works			Total Public Works	Comm. Dev.	Total Community Development
	Bond Acquisition	City Drainage Projects	City Street Projects		CIP Community Development	
ASSETS						
Cash and Investments	\$ 12,783,806	\$ 582,515	\$ 3,413,558	\$ 16,779,879	\$ 848,664	\$ 848,664
Cash Restricted for Debt Service Payments	-	-	-	-	-	-
Cash Restricted for State-Mandated						
Cash Balances	-	-	-	-	-	-
Cash Restricted for Endowment	-	-	-	-	-	-
Receivables:						
State-Shared Taxes	-	-	-	-	-	-
Local Taxes	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-
Motor	-	-	86,054	86,054	-	-
Interest	12,118	-	5,141	17,259	-	-
Ambulance, Net of Allowances	-	-	-	-	-	-
Grants, Restricted	96,240	-	271,990	368,230	83,998	83,998
Other Receivables, Net	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
Supplies Inventory	-	-	-	-	-	-
Total Assets	\$ 12,892,164	\$ 582,515	\$ 3,776,743	\$ 17,251,422	\$ 932,662	\$ 932,662
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)						
Liabilities:						
Accounts Payable	\$ 1,665,178	\$ -	\$ 200,138	\$ 1,865,316	\$ -	\$ -
Accrued Wages Payable	-	-	31,606	31,606	-	-
Pooled Cash - Cash Overdrawn	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
Due to Other Governments	-	-	-	-	-	-
Deposits and Escrow	-	-	-	-	-	-
Gross Receipts Taxes Payable	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-
Compensated Absence Payable	-	-	-	-	-	-
Total Liabilities	1,665,178	-	231,744	1,896,922	-	-
Deferred Inflows of Resources:						
Unavailable Revenue	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Fund Balance (Deficit):						
Nonspendable	-	-	-	-	-	-
Restricted	11,226,986	-	-	11,226,986	-	-
Committed	-	-	-	-	-	-
Assigned	-	582,515	3,547,533	4,130,048	932,662	932,662
Unassigned	-	-	(2,534)	(2,534)	-	-
Total Fund Balance (Deficit)	11,226,986	582,515	3,544,999	15,354,500	932,662	932,662
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 12,892,164	\$ 582,515	\$ 3,776,743	\$ 17,251,422	\$ 932,662	\$ 932,662

**CITY OF SANTA FE, NEW MEXICO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS (CONTINUED)
JUNE 30, 2020**

	Culture and Recreation			Total Culture and Recreation	Total Nonmajor Capital Project Funds
	City Parks and Trails Improvements	Art for CIP Projects	Library Improvements		
ASSETS					
Cash and Investments	\$ 3,488,463	\$ 54,998	\$ 13,305	\$ 3,556,766	\$ 33,069,561
Cash Restricted for Debt Service Payments	-	-	-	-	-
Cash Restricted for State-Mandated Cash Balances	-	-	-	-	-
Cash Restricted for Endowment	-	-	-	-	-
Receivables:					
State-Shared Taxes	-	-	-	-	-
Local Taxes	-	-	-	-	1,354,899
Property Taxes	-	-	-	-	-
Motor	-	-	-	-	86,054
Interest	2,815	-	-	2,815	24,880
Ambulance, Net of Allowances	-	-	-	-	-
Grants, Restricted	110,491	-	-	110,491	678,465
Other Receivables, Net	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Supplies Inventory	-	-	-	-	-
Total Assets	\$ 3,601,769	\$ 54,998	\$ 13,305	\$ 3,670,072	\$ 35,213,859
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)					
Liabilities:					
Accounts Payable	\$ 22,175	\$ -	\$ -	\$ 22,175	\$ 2,034,996
Accrued Wages Payable	-	-	-	-	113,813
Pooled Cash - Cash Overdrawn	-	-	-	-	-
Due to Other Funds	-	-	-	-	18,247,219
Unearned Revenue	-	-	-	-	-
Due to Other Governments	-	-	-	-	-
Deposits and Escrow	-	-	-	-	-
Gross Receipts Taxes Payable	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-
Compensated Absence Payable	-	-	-	-	-
Total Liabilities	22,175	-	-	22,175	20,396,028
Deferred Inflows of Resources:					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Fund Balance (Deficit):					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	11,226,986
Committed	-	-	-	-	-
Assigned	3,579,594	54,998	13,305	3,647,897	13,815,882
Unassigned	-	-	-	-	(10,225,037)
Total Fund Balance (Deficit)	3,579,594	54,998	13,305	3,647,897	14,817,831
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 3,601,769	\$ 54,998	\$ 13,305	\$ 3,670,072	\$ 35,213,859

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2020**

	General Government					Total General Government
	1/2% Gross Receipts Tax	CIP Reallocation	Resource Conservation	Facilities CIP	Special Projects	
REVENUES						
Gross Receipts Taxes	\$ 9,117,744	\$ -	\$ -	\$ -	\$ -	\$ 9,117,744
Motor Taxes	-	-	-	-	-	-
Lodgers' Taxes	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-
Franchise	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-
Fees and Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-
Intergovernmental:						
Federal	-	-	-	-	-	-
State	-	-	-	219,255	-	219,255
Local	-	-	-	-	-	-
Rents, Royalties, and Concessions	-	-	-	-	-	-
Investment Income (Loss)	36,886	-	-	-	(3,495)	33,391
Other Revenues	6,715	2	-	-	-	6,717
Total Revenues	<u>9,161,345</u>	<u>2</u>	<u>-</u>	<u>219,255</u>	<u>(3,495)</u>	<u>9,377,107</u>
EXPENDITURES						
Current:						
Salaries, Wages, and Fringe Benefits	1,537,808	-	-	-	36,755	1,574,563
Contractual Services and Utilities	-	-	-	-	1,604,434	1,604,434
Repairs and Maintenance	301	-	-	-	-	301
Supplies	16,793	-	-	-	7,180	23,973
Capital Outlay - Inventory-Exempt Items	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Insurance Premiums	286	-	-	-	-	286
Claims and Judgements	-	-	-	-	-	-
BDD - Source of Supply	-	-	-	-	-	-
Other	2,222	-	-	201,245	-	203,467
Total Current Expenditures	<u>1,557,410</u>	<u>-</u>	<u>-</u>	<u>201,245</u>	<u>1,648,369</u>	<u>3,407,024</u>
Capital Outlay	34,819	-	-	614,700	99,067	748,586
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Total Expenditures	<u>1,592,229</u>	<u>-</u>	<u>-</u>	<u>815,945</u>	<u>1,747,436</u>	<u>4,155,610</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,569,116	2	-	(596,690)	(1,750,931)	5,221,497
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	1,201,245	3,131,000	4,332,245
Transfers Out	(18,676,455)	(122,496)	-	-	1	(18,798,950)
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Issuance of Note	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Premiums on Bonds Issues	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(18,676,455)</u>	<u>(122,496)</u>	<u>-</u>	<u>1,201,245</u>	<u>3,131,001</u>	<u>(14,466,705)</u>
NET CHANGE IN FUND BALANCE	(11,107,339)	(122,494)	-	604,555	1,380,070	(9,245,208)
Fund Balances - Beginning of Year	886,268	590,585	30,972	1,583,037	1,037,118	4,127,980
FUND BALANCES - END OF YEAR	<u>\$ (10,221,071)</u>	<u>\$ 468,091</u>	<u>\$ 30,972</u>	<u>\$ 2,187,592</u>	<u>\$ 2,417,188</u>	<u>\$ (5,117,228)</u>

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

	Public Works			Total Public Works	Comm. Dev.	Total Community Development
	Bond Acquisition	City Drainage Projects	City Street Projects		CIP Community Development	
REVENUES						
Gross Receipts Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Motor Taxes	-	-	1,262,041	1,262,041	-	-
Lodgers' Taxes	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-
Franchise	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-
Fees and Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	37,797	37,797	-	-
Intergovernmental:						
Federal	-	-	-	-	-	-
State	96,240	-	455,485	551,725	83,999	83,999
Local	-	-	-	-	-	-
Rents, Royalties, and Concessions	-	-	-	-	-	-
Investment Income (Loss)	136,808	-	27,458	164,266	-	-
Other Revenues	-	-	71,261	71,261	-	-
Total Revenues	<u>233,048</u>	<u>-</u>	<u>1,854,042</u>	<u>2,087,090</u>	<u>83,999</u>	<u>83,999</u>
EXPENDITURES						
Current:						
Salaries, Wages, and Fringe Benefits	-	-	652,361	652,361	-	-
Contractual Services and Utilities	-	-	-	-	-	-
Repairs and Maintenance	33,369	-	63,756	97,125	-	-
Supplies	-	-	75,323	75,323	-	-
Capital Outlay - Inventory-Exempt Items	-	-	-	-	-	-
Depreciation Expense	-	-	-	-	-	-
Insurance Premiums	-	-	-	-	-	-
Claims and Judgements	-	-	-	-	-	-
BDD - Source of Supply	-	-	-	-	-	-
Other	86	-	126	212	-	-
Total Current Expenditures	<u>33,455</u>	<u>-</u>	<u>791,566</u>	<u>825,021</u>	<u>-</u>	<u>-</u>
Capital Outlay	9,912,290	-	5,564,049	15,476,339	83,999	83,999
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Total Expenditures	<u>9,945,745</u>	<u>-</u>	<u>6,355,615</u>	<u>16,301,360</u>	<u>83,999</u>	<u>83,999</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(9,712,697)</u>	<u>-</u>	<u>(4,501,573)</u>	<u>(14,214,270)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	1,070,000	-	729,496	1,799,496	-	-
Transfers Out	55,024	-	(2,612,040)	(2,557,016)	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Issuance of Note	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-
Bond Proceeds	-	-	-	-	-	-
Premiums on Bonds Issues	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,125,024</u>	<u>-</u>	<u>(1,882,544)</u>	<u>(757,520)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(8,587,673)</u>	<u>-</u>	<u>(6,384,117)</u>	<u>(14,971,790)</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>19,814,659</u>	<u>582,515</u>	<u>9,929,116</u>	<u>30,326,290</u>	<u>932,662</u>	<u>932,662</u>
FUND BALANCES - END OF YEAR	<u>\$ 11,226,986</u>	<u>\$ 582,515</u>	<u>\$ 3,544,999</u>	<u>\$ 15,354,500</u>	<u>\$ 932,662</u>	<u>\$ 932,662</u>

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

	Culture and Recreation			Total Culture and Recreation	Total Nonmajor Capital Project Funds
	City Parks and Trails Improvements	Art for CIP Projects	Library Improvements		
REVENUES					
Gross Receipts Taxes	\$ -	\$ -	\$ -	\$ -	\$ 9,117,744
Motor Taxes	-	-	-	-	1,262,041
Lodgers' Taxes	-	-	-	-	-
Property Taxes	-	-	-	-	-
Franchise	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fees and Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	37,797
Intergovernmental:					
Federal	-	-	-	-	-
State	123,076	-	-	123,076	978,055
Local	-	-	-	-	-
Rents, Royalties, and Concessions	-	-	-	-	-
Investment Income (Loss)	31,777	-	-	31,777	229,434
Other Revenues	-	-	-	-	77,978
Total Revenues	<u>154,853</u>	<u>-</u>	<u>-</u>	<u>154,853</u>	<u>11,703,049</u>
EXPENDITURES					
Current:					
Salaries, Wages, and Fringe Benefits	-	6,791	-	6,791	2,233,715
Contractual Services and Utilities	-	784	-	784	1,605,218
Repairs and Maintenance	-	-	-	-	97,426
Supplies	-	-	-	-	99,296
Capital Outlay - Inventory-Exempt Items	-	-	-	-	-
Depreciation Expense	-	-	-	-	-
Insurance Premiums	-	-	-	-	286
Claims and Judgements	-	-	-	-	-
BDD - Source of Supply	-	-	-	-	-
Other	-	-	-	-	203,679
Total Current Expenditures	<u>-</u>	<u>7,575</u>	<u>-</u>	<u>7,575</u>	<u>4,239,620</u>
Capital Outlay	729,360	20,000	-	749,360	17,058,284
Debt Service:					
Principal Payments	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Total Expenditures	<u>729,360</u>	<u>27,575</u>	<u>-</u>	<u>756,935</u>	<u>21,297,904</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(574,507)	(27,575)	-	(602,082)	(9,594,855)
OTHER FINANCING SOURCES (USES)					
Transfers In	81,000	46,000	-	127,000	6,258,741
Transfers Out	-	-	-	-	(21,355,966)
Proceeds from Sale of Capital Assets	-	-	-	-	-
Issuance of Note	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-
Bond Proceeds	-	-	-	-	-
Premiums on Bonds Issues	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>81,000</u>	<u>46,000</u>	<u>-</u>	<u>127,000</u>	<u>(15,097,225)</u>
NET CHANGE IN FUND BALANCE	(493,507)	18,425	-	(475,082)	(24,692,080)
Fund Balances - Beginning of Year	<u>4,073,101</u>	<u>36,573</u>	<u>13,305</u>	<u>4,122,979</u>	<u>39,509,911</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,579,594</u>	<u>\$ 54,998</u>	<u>\$ 13,305</u>	<u>\$ 3,647,897</u>	<u>\$ 14,817,831</u>

**CITY OF SANTA FE, NEW MEXICO
NONMAJOR ENTERPRISE FUNDS
JUINE 30, 2020**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

Municipal Recreation Complex - to account for the operation of the City's golf course and adjoining recreation facility.

Parking Enterprise Fund - to account for the operation of the City's parking lots and the operation of the on-street parking meters.

Railyard Property - to account for the development of 50 acres of prime real estate near the center of the City previously owned by the railroad and a private developer.

Airport - to account for the operation of the City's airport.

Genoveva Chavez Community Center (GCCC) - to account for the operation of the GCCC facility.

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2020**

	Municipal Recreation Complex	Parking Enterprise Fund	Railyard Properties	Airport	GCCC	Total
Current Assets:						
Cash and Investments	\$ 749,425	\$ 2,219,265	\$ 1,483,342	\$ -	\$ 3,129,458	\$ 7,581,490
Restricted Cash, Cash Equivalents, and Investments:						
Restricted for Debt Service	117,026	-	31,530	-	-	148,556
Grants Receivable	17,994	-	17	2,853,371	-	2,871,382
Receivables, Net of Allowances						
Accounts	69,598	971,876	-	-	-	1,041,474
Interest	798	249	1,296	-	2,531	4,874
Due From Other Funds	-	-	-	-	391,841	391,841
Other Receivable	3,433	-	-	-	-	3,433
Prepaid Expense	-	-	-	-	-	-
Total Current Assets	<u>958,274</u>	<u>3,191,390</u>	<u>1,516,185</u>	<u>2,853,371</u>	<u>3,523,830</u>	<u>12,043,050</u>
Capital Assets:						
Land and Water Rights	2,250,000	-	20,145,837	129,711	2,072,067	24,597,615
Buildings and Structures	2,310,217	35,260,112	8,351,011	5,410,078	23,306,768	74,638,186
Sewerlines and Utility Systems	-	-	-	-	29,820	29,820
Improvements	15,181,314	63,620	31,260,311	26,510,525	3,032,739	76,048,509
Furniture and Fixtures	-	-	-	17,452	36,499	53,951
Equipment and Machinery	1,424,608	2,250,457	-	2,034,895	346,200	6,056,160
Vehicles	44,154	357,743	-	596,733	151,528	1,150,158
Intangible Plant	-	-	-	-	-	-
Data Processing Equipment/Software	-	518,009	-	60,534	7,308	585,851
Art	-	-	-	-	-	-
Construction in Progress	-	-	169,299	7,682,643	208,826	8,060,768
Less: Accumulated Depreciation	<u>(16,485,320)</u>	<u>(8,714,219)</u>	<u>(29,611,264)</u>	<u>(24,672,101)</u>	<u>(11,457,755)</u>	<u>(90,940,659)</u>
Total Capital Assets, Net Accumulated Depreciation	4,724,973	29,735,722	30,315,194	17,770,470	17,734,000	100,280,359
Deferred Outflows of Resources:						
Unamortized Loss on Refunding Bonds	-	-	-	-	-	-
Deferred Outflows Related to Pension/OPEB Activity	132,079	499,920	55,443	358,237	544,197	1,589,876
Total Deferred Outflows of Resources	<u>132,079</u>	<u>499,920</u>	<u>55,443</u>	<u>358,237</u>	<u>544,197</u>	<u>1,589,876</u>
 Total Assets and Deferred Outflows	 <u>\$ 5,815,326</u>	 <u>\$ 33,427,032</u>	 <u>\$ 31,886,822</u>	 <u>\$ 20,982,078</u>	 <u>\$ 21,802,027</u>	 <u>\$ 113,913,285</u>

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
JUNE 30, 2020**

	Municipal Recreation Complex	Parking Enterprise Fund	Railyard Properties	Airport	GCCC	Total
Current Liabilities:						
Accounts Payable	\$ 11,652	\$ 295,594	\$ 11,422	\$ 270,634	\$ 23,374	\$ 612,676
Gross Receipts Taxes Payable	7	6,575	-	304	-	6,886
Compensated Absences Payable	23,195	81,961	24,960	112,027	118,182	360,325
Accrued Wages Payable	21,998	70,853	10,280	73,478	79,517	256,126
Claims and Judgment Payable	-	-	-	-	-	-
Bonds Payable, Net of Amortized Discounts	1,296,587	561,141	1,172,342	-	-	3,030,070
Notes Payable	-	-	-	-	-	-
Accrued Interest Payable	6,240	20,678	27,914	-	-	54,832
Unearned Revenue	-	-	-	119,902	-	119,902
Other Liabilities	-	679	-	-	-	679
Due to Other Funds	-	-	-	391,841	-	391,841
Deposits and Escrow	-	53,387	-	-	18,471	71,858
Total Current Liabilities	1,359,679	1,090,868	1,246,918	968,186	239,544	4,905,195
Noncurrent Liabilities:						
Bonds Payable, Net of Unamortized Discounts	644,900	10,945,883	7,926,710	-	-	19,517,493
Notes Payable	-	1,380,000	-	-	-	1,380,000
Compensated Absences Payable	-	-	-	-	-	-
Net Pension Liability	765,660	2,898,691	321,487	2,118,248	3,152,962	9,257,048
Net OPEB Liability	253,707	959,017	106,306	608,477	1,048,671	2,976,178
Total Noncurrent Liabilities	1,664,267	16,183,591	8,354,503	2,726,725	4,201,633	33,130,719
Total Liabilities	3,023,946	17,274,459	9,601,421	3,694,911	4,441,177	38,035,914
Deferred Inflows of Resources:						
Unamortized Gain on Refunding of Bonds	53,263	-	8,402	-	-	61,665
Deferred Inflows Related to Pension/OPEB Activity	212,070	801,909	88,925	526,033	875,842	2,504,779
Total Deferred Inflows of Resources	265,333	801,909	97,327	526,033	875,842	2,566,444
Net Position:						
Net Investment in Capital Assets	2,730,223	18,228,698	21,207,740	17,770,470	17,734,000	77,671,131
Restricted for Debt Service	117,026	-	31,530	-	-	148,556
Restricted for Compliance	-	-	-	-	-	-
Unrestricted	(321,202)	(2,878,034)	948,804	(1,009,336)	(1,248,992)	(4,508,760)
Total Net Position	2,526,047	15,350,664	22,188,074	16,761,134	16,485,008	73,310,927
Total Liabilities, Inflows of Resources, and Net Position	\$ 5,815,326	\$ 33,427,032	\$ 31,886,822	\$ 20,982,078	\$ 21,802,027	\$ 113,913,285

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2020**

	Municipal Recreation Complex	Parking Enterprise Fund	Railyard Properties
OPERATING REVENUES			
User Fees, Net of Allowance	\$ 637,154	\$ 3,702,080	\$ -
Facilities Rentals	24,944	-	3,613
Other Revenues	22,939	788,345	506,780
Total Operating Revenues	<u>685,037</u>	<u>4,490,425</u>	<u>510,393</u>
OPERATING EXPENSES			
Salaries, Wages, and Fringe Benefits	821,517	1,309,996	264,191
Contractual Services and Utilities	299,481	560,859	224,546
Repairs and Maintenance	94,827	97,665	2,824
Supplies	152,945	104,859	6,032
Capital Outlay - Inventory-Exempt Items	23,667	10,506	-
Depreciation Expense	280,418	746,156	2,259,104
Insurance Premiums	21,497	118,771	-
Claims and Judgments	-	-	-
Other	264,328	970,407	53,596
Total Operating Expenses	<u>1,958,680</u>	<u>3,919,219</u>	<u>2,810,293</u>
Operating Income (Loss)	<u>(1,273,643)</u>	<u>571,206</u>	<u>(2,299,900)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Loss)	6,939	27,180	10,232
Intergovernmental:			
Federal	-	-	-
State	11,994	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-
Interest Expense	(37,024)	(421,158)	(293,088)
Other Nonoperating Revenue (Expense)	(185)	(76,720)	(35,498)
Total Nonoperating Revenues (Expenses)	<u>(18,276)</u>	<u>(470,698)</u>	<u>(318,354)</u>
Income (Loss) Before Transfers and Capital Contributions	(1,291,919)	100,508	(2,618,254)
Transfers In	1,658,298	2,594,193	1,463,137
Transfers Out	(10,000)	(74,301)	(500,000)
CHANGE IN NET POSITION	356,379	2,620,400	(1,655,117)
Net Position - Beginning of Year	<u>2,169,668</u>	<u>12,730,264</u>	<u>23,843,191</u>
NET POSITION - END OF YEAR	<u>\$ 2,526,047</u>	<u>\$ 15,350,664</u>	<u>\$ 22,188,074</u>

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

	<u>Airport</u>	<u>GCCC</u>	<u>Total</u>
OPERATING REVENUES			
User Fees, Net of Allowance	\$ 2,192,632	\$ 1,184,310	\$ 7,716,176
Facilities Rentals	442,365	234,119	705,041
Other Revenues	44,635	3,470	1,366,169
Total Operating Revenues	<u>2,679,632</u>	<u>1,421,899</u>	<u>9,787,386</u>
OPERATING EXPENSES			
Salaries, Wages, and Fringe Benefits	1,957,986	2,831,325	7,185,015
Contractual Services and Utilities	322,031	600,580	2,007,497
Repairs and Maintenance	95,962	114,511	405,789
Supplies	100,291	142,546	506,673
Capital Outlay - Inventory-Exempt Items	62,630	39,145	135,948
Depreciation Expense	1,495,336	788,789	5,569,803
Insurance Premiums	41,748	89,143	271,159
Claims and Judgments	-	-	-
Other	284,091	463,166	2,035,588
Total Operating Expenses	<u>4,360,075</u>	<u>5,069,205</u>	<u>18,117,472</u>
Operating Income (Loss)	<u>(1,680,443)</u>	<u>(3,647,306)</u>	<u>(8,330,086)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Loss)	-	19,932	64,283
Intergovernmental:			
Federal	902,823	-	902,823
State	1,945,312	-	1,957,306
Gain (Loss) on Sale of Capital Assets	(2,610)	(37,710)	(40,320)
Interest Expense	-	-	(751,270)
Other Nonoperating Revenue (Expense)	-	-	(112,403)
Total Nonoperating Revenues (Expenses)	<u>2,845,525</u>	<u>(17,778)</u>	<u>2,020,419</u>
Income (Loss) Before Transfers and Capital Contributions	1,165,082	(3,665,084)	(6,309,667)
Transfers In	129,670	2,831,326	8,676,624
Transfers Out	<u>(115,308)</u>	<u>(11,302)</u>	<u>(710,911)</u>
CHANGE IN NET POSITION	1,179,444	(845,060)	1,656,046
Net Position - Beginning of Year	<u>15,581,690</u>	<u>17,330,068</u>	<u>71,654,881</u>
NET POSITION - END OF YEAR	<u>\$ 16,761,134</u>	<u>\$ 16,485,008</u>	<u>\$ 73,310,927</u>

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2020**

	Municipal Recreation Complex	Parking Enterprise Fund	Railyard Properties	Airport	GCCC	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	\$ 870,254	\$ 4,352,077	\$ 544,368	\$ 2,679,632	\$ 1,421,899	\$ 9,868,230
Cash Payments to Suppliers for Goods and Services	(885,161)	(1,707,313)	(291,186)	(2,109,666)	(1,580,936)	(6,574,262)
Cash Payments to Employees for Services	(578,302)	(2,131,844)	(224,009)	(1,362,616)	(2,294,653)	(6,591,424)
Cash Paid for Interfund Services Provided	-	-	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>(593,209)</u>	<u>512,920</u>	<u>29,173</u>	<u>(792,650)</u>	<u>(2,453,690)</u>	<u>(3,297,456)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental Taxes and Grants	4,706	-	-	3,193,789	-	3,198,495
Transfers In from Other Funds	1,658,298	2,594,193	1,463,137	129,670	2,831,326	8,676,624
Transfers Out to Other Funds	(10,000)	(74,301)	(500,000)	(115,308)	(11,302)	(710,911)
Interfund	-	-	-	391,841	(391,841)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,653,004</u>	<u>2,519,892</u>	<u>963,137</u>	<u>3,599,992</u>	<u>2,428,183</u>	<u>11,164,208</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and Construction of Capital Assets	(13,721)	(1,394,669)	(52,256)	(2,807,342)	(112,442)	(4,380,430)
Interest Paid on Revenue Bonds and Notes Payable	(40,080)	(496,640)	(343,301)	-	-	(880,021)
Principal Paid on Revenue Bond Maturities and Notes Payable	<u>(1,232,538)</u>	<u>841,059</u>	<u>(1,127,342)</u>	<u>-</u>	<u>-</u>	<u>(1,518,821)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(1,286,339)</u>	<u>(1,050,250)</u>	<u>(1,522,899)</u>	<u>(2,807,342)</u>	<u>(112,442)</u>	<u>(6,779,272)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and Dividends on Investments	<u>6,939</u>	<u>27,180</u>	<u>13,939</u>	<u>-</u>	<u>26,041</u>	<u>74,099</u>
Net Cash Provided (Used) by Investing Activities	<u>6,939</u>	<u>27,180</u>	<u>13,939</u>	<u>-</u>	<u>26,041</u>	<u>74,099</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(219,605)</u>	<u>2,009,742</u>	<u>(516,650)</u>	<u>-</u>	<u>(111,908)</u>	<u>1,161,579</u>
Cash, Investments, and Cash Equivalents - Beginning of Year	<u>1,086,056</u>	<u>209,523</u>	<u>2,031,522</u>	<u>-</u>	<u>3,241,366</u>	<u>6,568,467</u>
CASH, INVESTMENTS, AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 866,451</u>	<u>\$ 2,219,265</u>	<u>\$ 1,514,872</u>	<u>\$ -</u>	<u>\$ 3,129,458</u>	<u>\$ 7,730,046</u>

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

	Municipal Recreation Complex	Parking Enterprise Fund	Railyard Properties	Airport	GCCC	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (1,273,643)	\$ 571,206	\$ (2,299,900)	\$ (1,680,443)	\$ (3,647,306)	\$ (8,330,086)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation/Amortization/Bad Debt Expense	280,418	746,156	2,259,104	1,495,336	788,789	5,569,803
Difference between Deferred Outflows Related to Pensions and OPEB	22,004	404,721	21,387	73,358	180,433	701,903
Difference between Deferred Inflows Related to Pensions and OPEB	82,293	63,156	24,569	175,931	266,587	612,536
Difference Between Net Pension/OPEB Liability	150,832	(1,169,410)	(4,181)	335,651	120,374	(566,734)
Change in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	182,516	(138,099)	-	-	-	44,417
(Increase) Decrease in Other Receivable	2,701	(249)	-	-	-	2,452
(Increase) Decrease in Prepaid Expenses	-	-	33,975	-	-	33,975
(Increase) Decrease in Accounts Payable	(23,201)	190,417	(4,188)	238,636	(124,288)	277,376
(Increase) Decrease in Gross Receipts Taxes Payable	(5,215)	(56,175)	-	(76)	(7,557)	(69,023)
(Increase) Decrease in Compensated Absences Payable	(8,627)	(99,399)	(3,839)	(16,070)	(15,210)	(143,145)
(Increase) Decrease in Accrued Wages Payable	(3,287)	(20,916)	2,246	26,500	(15,512)	(10,969)
(Increase) Decrease in Other Liabilities	-	573	-	(1,469,834)	-	(1,469,261)
(Increase) Decrease in Customer Deposits	-	20,939	-	-	-	20,939
(Increase) Decrease in Unearned Revenue	-	-	-	28,361	-	28,361
Total Adjustments	<u>680,434</u>	<u>(58,286)</u>	<u>2,329,073</u>	<u>887,793</u>	<u>1,193,616</u>	<u>5,032,630</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (593,209)</u>	<u>\$ 512,920</u>	<u>\$ 29,173</u>	<u>\$ (792,650)</u>	<u>\$ (2,453,690)</u>	<u>\$ (3,297,456)</u>

**CITY OF SANTA FE, NEW MEXICO
INTERNAL SERVICE FUNDS
JUNE 30, 2020**

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the City on a cost reimbursement basis.

Risk Management - to account for the premiums, claims, and operating costs of the property and liability insurance program. Costs are billed to departments protected by risk management coverage.

Santa Fe Health / Dental Fund - to account for the cost of operating self-insured health and dental insurance programs. The City contributes 76.50% of the costs and the employee contributes 23.50%. In regards to health; also the City contributes 60.00% of the costs and the employee contributes 40.00% for the dental program.

Worker's Compensation - to account for the cost of operating a self-insured worker's compensation program.

Unemployment Claims Fund - to account for unemployment claims from City employees. The funding for this program will be derived from a City-wide department assessment.

Services to Other Funds – to account for fleet management goods and services and technology goods and services provided by those departments to other City departments.

CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	Risk Management	Health/ Dental	Workers Compensation
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets:			
Cash, Investments, and Cash Equivalents	\$ 2,790,449	\$ 6,211,915	\$ 5,707,359
Accounts Receivable	-	99,464	-
Interest Receivable	2,407	4,672	5,599
Due from Other Funds	-	-	1,273,294
Total Current Assets	2,792,856	6,316,051	6,986,252
Capital Assets:			
Equipment and Machinery	6,812	-	-
Vehicles	35,829	-	-
Data Processing Equipment/Software	-	-	-
Less: Accumulated Depreciation	(42,641)	-	-
Total Noncurrent Assets, Net Accumulated Depreciation	-	-	-
Deferred Outflows of Resources:			
Unamortized Loss on Refunding Bonds	-	-	-
Deferred Outflows Related to Pension Activity	93,715	96,900	-
Total Deferred Outflows of Resources	93,715	96,900	-
Total Assets and Deferred Outflows of Resources	\$ 2,886,571	\$ 6,412,951	\$ 6,986,252
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current Liabilities			
Accounts Payable	\$ 205,585	\$ -	\$ 4,970
Due to Other Funds	-	-	-
Compensated Absence Payable	16,983	38,919	-
Accrued Wages Payable	17,248	22,405	-
Claims and Judgement Payable	2,019,785	1,765,000	4,245,879
Total Current Liabilities	2,259,601	1,826,324	4,250,849
Noncurrent Liabilities:			
Net Pension Liability	543,416	561,868	-
Net OPEB Liability	179,733	185,865	-
Total Noncurrent Liabilities	723,149	747,733	-
Total Liabilities	2,982,750	2,574,057	4,250,849
Deferred Inflows of Resources:			
Deferred Inflows Related to Pension Activity	150,298	155,421	-
Total Deferred Inflows of Resources	150,298	155,421	-
Net Position:			
Net Investment in Capital Assets	-	-	-
Restricted for Debt Service	-	-	-
Restricted for Compliance	-	-	-
Unrestricted	(246,477)	3,683,473	2,735,403
Total Net Position	(246,477)	3,683,473	2,735,403
Total Assets, Deferred Inflows, and Net Position	\$ 2,886,571	\$ 6,412,951	\$ 6,986,252

CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
JUNE 30, 2020

	Unemployment Claims Fund	Services to Other Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current Assets:			
Cash, Investments, and Cash Equivalents	\$ 150,980	\$ -	\$ 14,860,703
Accounts Receivable	-	-	99,464
Interest Receivable	-	34,767	47,445
Due from Other Funds	-	-	1,273,294
Total Current Assets	150,980	34,767	16,280,906
Capital Assets:			
Equipment and Machinery	-	-	6,812
Vehicles	-	-	35,829
Data Processing Equipment/Software	-	113,750	113,750
Less: Accumulated Depreciation	-	(55,364)	(98,005)
Total Noncurrent Assets, Net Accumulated Depreciation	-	58,386	58,386
Deferred Outflows of Resources:			
Unamortized Loss on Refunding Bonds	-	-	-
Deferred Outflows Related to Pension Activity	-	951,699	1,142,314
Total Deferred Outflows of Resources	-	951,699	1,142,314
Total Assets and Deferred Outflows of Resources	\$ 150,980	\$ 1,044,852	\$ 17,481,606
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current Liabilities			
Accounts Payable	\$ 35,419	\$ 600,325	\$ 846,299
Due to Other Funds	-	1,273,294	1,273,294
Compensated Absence Payable	-	215,203	271,105
Accrued Wages Payable	-	180,942	220,595
Claims and Judgement Payable	-	-	8,030,664
Total Current Liabilities	35,419	2,269,764	10,641,957
Noncurrent Liabilities:			
Net Pension Liability	-	5,518,322	6,623,606
Net OPEB Liability	-	1,825,548	2,191,146
Total Noncurrent Liabilities	-	7,343,870	8,814,752
Total Liabilities	35,419	9,613,634	19,456,709
Deferred Inflows of Resources:			
Deferred Inflows Related to Pension Activity	-	1,526,512	1,832,231
Total Deferred Inflows of Resources	-	1,526,512	1,832,231
Net Position:			
Net Investment in Capital Assets	-	58,386	58,386
Restricted for Debt Service	-	-	-
Restricted for Compliance	-	-	-
Unrestricted	115,561	(10,153,680)	(3,865,720)
Total Net Position	115,561	(10,095,294)	(3,807,334)
Total Assets, Deferred Inflows, and Net Position	\$ 150,980	\$ 1,044,852	\$ 17,481,606

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

	Risk Management	Health/ Dental	Workers Compensation
OPERATING REVENUES			
Other Revenues	\$ 18,915	\$ 143,432	\$ 782,571
Premiums	4,279,147	23,024,101	71,085
Total Operating Revenues	<u>4,298,062</u>	<u>23,167,533</u>	<u>853,656</u>
OPERATING EXPENSES			
Salaries, Wages, and Fringe Benefits	356,861	1,229,900	-
Contractual Services and Utilities	193,411	889,864	26,285
Repairs and Maintenance	-	-	-
Supplies	10,104	22,639	-
Capital Outlay - Inventory-Exempt Items	-	-	-
Depreciation Expense	-	-	-
Insurance Premiums	2,483,612	-	-
Claims and Judgments	1,860,582	23,132,621	2,086,202
BDD - Source of Supply	-	-	-
Other	47,685	144	170
Total Operating Expenses	<u>4,952,255</u>	<u>25,275,168</u>	<u>2,112,657</u>
Operating Income (Loss)	(654,193)	(2,107,635)	(1,259,001)
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Loss)	27,180	21,192	40,553
Intergovernmental:			
Shared Taxes	-	-	-
Federal	-	-	-
State	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-
Interest Expense	-	-	-
Premium (Discount) Debt Service Interest	-	-	-
Other Nonoperating Revenue (Expense)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>27,180</u>	<u>21,192</u>	<u>40,553</u>
Income (Loss) Before Transfers and Capital Contributions	(627,013)	(2,086,443)	(1,218,448)
Transfers In	7,679,536	-	-
Transfers Out	<u>(105,040)</u>	<u>(75,000)</u>	<u>-</u>
CHANGE IN NET POSITION	6,947,483	(2,161,443)	(1,218,448)
Net Position - Beginning of Year	<u>(7,193,960)</u>	<u>5,844,916</u>	<u>3,953,851</u>
NET POSITION - END OF YEAR	<u><u>\$ (246,477)</u></u>	<u><u>\$ 3,683,473</u></u>	<u><u>\$ 2,735,403</u></u>

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

	Unemployment Claims Fund	Services to Other Funds	Total
OPERATING REVENUES			
Other Revenues	\$ -	\$ 8,290	\$ 953,208
Premiums	73,686	9,368,314	36,816,333
Total Operating Revenues	<u>73,686</u>	<u>9,376,604</u>	<u>37,769,541</u>
OPERATING EXPENSES			
Salaries, Wages, and Fringe Benefits	-	4,027,892	5,614,653
Contractual Services and Utilities	-	1,838,286	2,947,846
Repairs and Maintenance	-	408,499	408,499
Supplies	-	1,963,461	1,996,204
Capital Outlay - Inventory-Exempt Items	-	1,231,318	1,231,318
Depreciation Expense	-	34,626	34,626
Insurance Premiums	-	108,249	2,591,861
Claims and Judgments	89,368	-	27,168,773
BDD - Source of Supply	-	-	-
Other	-	203,181	251,180
Total Operating Expenses	<u>89,368</u>	<u>9,815,512</u>	<u>42,244,960</u>
Operating Income (Loss)	<u>(15,682)</u>	<u>(438,908)</u>	<u>(4,475,419)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income (Loss)	-	-	88,925
Intergovernmental:			
Shared Taxes	-	-	-
Federal	-	-	-
State	-	-	-
Gain (Loss) on Sale of Capital Assets	-	-	-
Interest Expense	-	-	-
Premium (Discount) Debt Service Interest	-	-	-
Other Nonoperating Revenue (Expense)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>88,925</u>
Income (Loss) Before Transfers and Capital Contributions	<u>(15,682)</u>	<u>(438,908)</u>	<u>(4,386,494)</u>
Transfers In	150,000	15,164	7,844,700
Transfers Out	<u>-</u>	<u>(7,679,536)</u>	<u>(7,859,576)</u>
CHANGE IN NET POSITION	<u>134,318</u>	<u>(8,103,280)</u>	<u>(4,401,370)</u>
Net Position - Beginning of Year	<u>(18,757)</u>	<u>(1,992,014)</u>	<u>594,036</u>
NET POSITION - END OF YEAR	<u>\$ 115,561</u>	<u>\$ (10,095,294)</u>	<u>\$ (3,807,334)</u>

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

	Risk Management	Health/ Dental	Workers Compensation
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 4,298,062	\$ 23,068,069	\$ 853,656
Cash Payments to Suppliers for Goods and Services	(4,476,790)	(24,336,886)	(1,805,654)
Cash Payments to Employees for Services	(8,076,488)	(265,422)	-
Net Cash Provided (Used) by Operating Activities	<u>(8,255,216)</u>	<u>(1,534,239)</u>	<u>(951,998)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In from Other Funds	7,679,536	-	-
Transfers Out to Other Funds	(105,040)	(75,000)	-
Interfund Loan	-	-	(1,273,294)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>7,574,496</u>	<u>(75,000)</u>	<u>(1,273,294)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	-	-	-
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends on Investments	24,773	42,270	57,615
Net Cash Provided (Used) by Investing Activities	<u>24,773</u>	<u>42,270</u>	<u>57,615</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(655,947)	(1,566,969)	(2,167,677)
Cash, Investments, and Cash Equivalents - Beginning of Year	<u>3,446,396</u>	<u>7,778,884</u>	<u>7,875,036</u>
CASH, INVESTMENTS, AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,790,449</u>	<u>\$ 6,211,915</u>	<u>\$ 5,707,359</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (654,193)	\$ (2,107,635)	\$ (1,259,001)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	-
Difference between Deferred Outflows Related to Pensions and OPEB	1,475,306	-	-
Difference between Deferred Inflows Related to Pensions and OPEB	(1,132,058)	-	-
Difference Between Net Pension/OPEB Liability	(7,999,230)	806,254	-
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	(99,464)	-
(Increase) Decrease in Accounts Payable	116,370	(449,718)	(2,416)
(Increase) Decrease in Compensated Absences Payable	(38,896)	61,324	-
(Increase) Decrease in Accrued Wages Payable	(24,749)	-	-
(Increase) Decrease in Claims Payable	2,234	255,000	309,419
Total Adjustments	<u>(7,601,023)</u>	<u>573,396</u>	<u>307,003</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (8,255,216)</u>	<u>\$ (1,534,239)</u>	<u>\$ (951,998)</u>

**CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

	Unemployment Claims Fund	Services to Other Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 73,686	\$ 9,376,604	\$ 37,670,077
Cash Payments to Suppliers for Goods and Services	(86,210)	(5,541,226)	(36,246,766)
Cash Payments to Employees for Services	-	3,752,781	(4,589,129)
Net Cash Provided (Used) by Operating Activities	(12,524)	7,588,159	(3,165,818)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In from Other Funds	150,000	15,164	7,844,700
Transfers Out to Other Funds	-	(7,679,536)	(7,859,576)
Interfund Loan	-	1,273,294	-
Net Cash Provided (Used) by Noncapital Financing Activities	150,000	(6,391,078)	(14,876)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	-	(19,494)	(19,494)
Net Cash Used by Capital and Related Financing Activities	-	(19,494)	(19,494)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends on Investments	-	(34,767)	89,891
Net Cash Provided (Used) by Investing Activities	-	(34,767)	89,891
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	137,476	1,142,820	(3,110,297)
Cash, Investments, and Cash Equivalents - Beginning of Year	13,504	(1,142,820)	17,971,000
CASH, INVESTMENTS, AND CASH EQUIVALENTS - END OF YEAR	\$ 150,980	\$ -	\$ 14,860,703
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (15,682)	\$ (438,908)	\$ (4,475,419)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	34,626	34,626
Difference between Deferred Outflows Related to Pensions and OPEB	-	-	1,475,306
Difference between Deferred Inflows Related to Pensions and OPEB	-	-	(1,132,058)
Difference Between Net Pension/OPEB Liability	-	7,918,683	725,707
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	-	(99,464)
(Increase) Decrease in Accounts Payable	3,158	211,768	(120,838)
(Increase) Decrease in Compensated Absences Payable	-	(12,653)	9,775
(Increase) Decrease in Accrued Wages Payable	-	(125,357)	(150,106)
(Increase) Decrease in Claims Payable	-	-	566,653
Total Adjustments	3,158	8,027,067	1,309,601
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (12,524)	\$ 7,588,159	\$ (3,165,818)

STATISTICAL SECTION

CITY OF SANTA FE, NEW MEXICO
TABLE I - NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental Activities					
Net Investment in Capital Assets	\$ 191,538,696	\$ 186,752,403	\$ 187,585,177	\$ 183,738,623	\$ 171,694,321
Restricted	21,643,708	52,596,695	42,214,935	42,689,826	51,463,764
Unrestricted	53,773,476	24,870,716	28,086,027	25,344,402	(45,271,571)
Total Governmental Activities Net Position	<u>\$ 266,955,880</u>	<u>\$ 264,219,814</u>	<u>\$ 257,886,139</u>	<u>\$ 251,772,851</u>	<u>\$ 177,886,514</u>
Business-Type Activities					
Net Investment in Capital Assets	\$ 208,210,696	\$ 231,134,448	\$ 218,430,014	\$ 220,974,217	\$ 219,722,956
Restricted	5,960,981	6,483,099	7,967,211	6,852,761	8,148,062
Unrestricted	127,140,990	116,317,368	139,972,704	137,082,991	111,937,448
Total Business -Type Activities	<u>\$ 341,312,667</u>	<u>\$ 353,934,915</u>	<u>\$ 366,369,929</u>	<u>\$ 364,909,969</u>	<u>\$ 339,808,466</u>
Primary Government					
Net Investment in Capital Assets	\$ 399,749,392	\$ 417,886,851	\$ 420,502,272	\$ 404,712,840	\$ 391,417,277
Restricted	27,604,689	59,079,794	44,765,498	49,542,587	59,611,826
Unrestricted	180,914,466	141,188,084	158,988,298	162,427,393	66,665,877
Total Primary Government Net Position	<u>\$ 608,268,547</u>	<u>\$ 618,154,729</u>	<u>\$ 624,256,068</u>	<u>\$ 616,682,820</u>	<u>\$ 517,694,980</u>
	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental Activities					
Net Investment in Capital Assets	\$ 187,148,133	\$ 215,769,254	\$ 207,769,299	\$ 190,668,701	\$ 209,537,621
Restricted	45,527,732	40,290,853	48,386,499	59,781,685	65,385,263
Unrestricted	(42,105,783)	(50,599,309)	(118,886,707)	(103,695,565)	(123,117,113)
Total Governmental Activities Net Position	<u>\$ 190,570,082</u>	<u>\$ 205,460,798</u>	<u>\$ 137,269,091</u>	<u>\$ 146,754,821</u>	<u>\$ 151,805,771</u>
Business-Type activities					
Net Investment in Capital Assets	\$ 283,747,858	\$ 276,670,243	\$ 310,961,726	\$ 292,741,053	\$ 301,872,296
Restricted	2,386,130	1,271,918	1,290,606	1,346,904	1,367,582
Unrestricted	60,617,674	61,775,492	26,029,783	48,959,969	48,341,293
Total Business -Type Activities	<u>\$ 346,751,662</u>	<u>\$ 339,717,653</u>	<u>\$ 338,282,115</u>	<u>\$ 343,047,926</u>	<u>\$ 351,581,171</u>
Primary Government					
Net Investment in Capital Assets	\$ 470,895,991	\$ 492,439,497	\$ 518,731,025	\$ 483,409,754	\$ 511,409,917
Restricted	47,913,862	41,562,771	49,677,105	61,128,589	66,752,845
Unrestricted	18,511,891	11,176,183	(92,856,924)	(54,735,596)	(74,775,820)
Total Primary Government Net Position	<u>\$ 537,321,744</u>	<u>\$ 545,178,451</u>	<u>\$ 475,551,206</u>	<u>\$ 489,802,747</u>	<u>\$ 503,386,942</u>

CITY OF SANTA FE, NEW MEXICO
TABLE II - CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

	2011	2012	2013	2014	2015	2016	#	2017	2018	2019	2020
Expenses											
Governmental Activities:											
General Government	\$ 26,391,068	\$ 29,053,871	\$ 24,755,660	\$ 27,489,494	\$ 26,419,310	\$ 31,479,026	\$	\$ 28,788,439	\$ 57,735,570	\$ 31,873,658	\$ 39,892,724
Public Safety	38,015,879	38,164,145	42,282,708	43,895,286	43,657,854	44,790,073		44,687,492	49,131,745	48,812,338	49,467,718
Public Works	16,653,193	13,982,704	16,759,696	16,598,017	16,028,819	14,578,275		15,333,620	15,966,239	16,470,000	19,778,915
Community Development	12,191,952	10,636,985	11,340,371	10,748,946	11,583,239	11,898,080		10,284,524	10,450,931	13,676,856	9,425,984
Culture and Recreation	12,218,375	11,365,828	13,767,279	13,264,424	12,681,701	12,460,924		13,081,552	16,393,918	15,840,896	16,263,337
Education	2,846,887	2,673,364	2,711,183	2,547,259	2,620,019	2,606,639		2,621,955	2,675,293	2,576,061	2,595,792
Interest on Long Term Debt	4,952,563	5,847,128	5,768,231	5,591,088	4,580,529	4,543,956		6,550,160	2,509,738	3,367,613	2,842,048
Total Governmental activities expenses	<u>113,269,917</u>	<u>111,724,025</u>	<u>117,385,128</u>	<u>120,134,514</u>	<u>117,571,471</u>	<u>122,356,973</u>		<u>121,347,742</u>	<u>154,863,434</u>	<u>132,617,422</u>	<u>140,266,518</u>
Business-type activities:											
Wastewater Management	14,705,132	14,878,988	13,100,203	12,991,007	14,235,723	13,482,949		14,160,571	11,197,893	13,643,617	9,685,812
Water Management	28,452,091	37,026,382	39,530,468	46,776,694	40,302,996	45,088,256		45,173,505	33,237,009	39,108,101	35,303,894
Railyard Center	1,748,903	3,065,480	4,134,223	5,234,566	5,307,405	4,351,666		4,360,308	4,264,391	3,624,154	3,103,381
Santa Fe Convention Center	2,950,521	4,993,798	5,193,941	4,930,009	6,195,823	3,423,469		5,118,957	4,631,821	4,884,230	4,489,867
Environmental Services	10,992,656	11,607,054	11,147,965	11,763,404	11,378,753	11,876,462		14,410,149	11,301,085	12,718,672	12,025,629
College of Santa Fe	1,946,703	1,062,183	922,854	2,516,891	1,546,029	3,763,512		3,149,944	3,327,243	4,538,900	4,717,623
Municipal Recreation Complex	1,336,520	1,781,075	1,825,927	1,641,924	1,742,817	1,881,876		1,994,350	1,807,943	1,764,479	1,995,704
Parking Enterprise Fund	5,147,411	4,923,577	5,308,766	5,285,568	4,763,607	5,409,773		6,414,416	4,582,572	5,992,720	4,340,377
Transit and Airport Systems	10,984,607	11,686,081	11,668,835	12,527,385	14,903,229	15,132,089		17,899,172	9,035,547	11,767,551	12,779,368
Airport	-	-	-	-	-	-		-	4,239,806	4,589,546	4,360,075
Genoveva Chavez Community Center	4,725,388	4,551,692	5,034,066	4,641,275	5,048,065	4,845,955		5,402,686	3,845,615	5,123,062	5,069,205
Total business-type expenses	<u>82,989,932</u>	<u>95,576,310</u>	<u>97,867,248</u>	<u>108,308,723</u>	<u>105,424,447</u>	<u>109,256,007</u>		<u>118,084,058</u>	<u>91,470,925</u>	<u>107,753,032</u>	<u>97,870,935</u>
Total primary government expenses	<u>\$ 196,259,849</u>	<u>\$ 207,300,335</u>	<u>\$ 215,252,376</u>	<u>\$ 228,443,237</u>	<u>\$ 222,995,918</u>	<u>\$ 231,612,980</u>		<u>\$ 239,431,800</u>	<u>\$ 246,334,359</u>	<u>\$ 240,370,454</u>	<u>\$ 238,137,453</u>
Program Revenues											
Governmental activities:											
Charges for services:											
General Government	\$ 1,548,813	\$ 7,595,705	\$ 9,077,668	\$ 3,334,437	\$ 8,641,240	\$ 10,547,589	\$	\$ 9,649,498	\$ 8,947,389	\$ 2,861,096	\$ 4,015,710
Public Safety	5,837,000	1,474,567	1,595,823	5,434,696	5,478,431	5,441,078		5,450,534	7,366,328	7,366,328	8,998,215
Public Works	2,782,439	1,807,757	1,927,320	2,190,194	2,137,267	2,294,848		2,311,660	2,557,839	2,557,839	3,597,799
Community Development	427,889	84,441	59,194	267,268	218,086	256,151		312,984	1,617,334	1,617,334	1,714,594
Culture and Recreation	790,664	133,659	146,037	164,353	683,842	208,492		179,046	2,457,942	2,457,942	2,958,313
Education	-	-	-	-	-	-		-	401,107	401,107	472,177
Interest on Long term debt	-	-	-	-	-	-		-	-	-	-
Operating grants and contributions:											
General Government	292,957	173,174	175,302	210,828	65,092	824,576		620,607	3,035,689	3,035,689	1,759,794
Public Safety	731,000	1,010,879	1,358,585	1,630,783	1,974,169	2,279,749		1,905,300	2,392,028	2,392,028	2,182,177
Public Works	214,293	501,864	1,982,166	397,789	563,125	468,872		6,010,315	830,593	830,593	872,510
Community Development	3,400,765	2,658,918	309,510	3,179,112	3,288,624	3,840,985		2,226,503	525,188	525,188	415,810
Culture and Recreation	340,742	30,389	2,219,010	189,265	105,568	783,359		2,537,039	798,154	798,154	717,427
Education	-	-	-	-	-	-		-	130,249	130,249	114,509
Interest on Long term debt	-	-	-	-	-	-		-	-	-	-
Capital grants and contributions:											
General Government	1,700,235	81,519	267,360	1,253,844	-	-		14,834	-	-	-
Public Safety	529,270	1,206,912	-	-	-	-		-	-	-	-
Public Works	1,604,050	5,896,998	1,035,823	756,833	611,554	4,196,814		-	-	-	-
Community Development	673,023	92,838	184,162	403,159	-	-		-	-	-	-
Culture and Recreation	2,535,154	429,170	291,047	203,120	26,357	-		50,000	-	-	-
Education	-	-	-	-	-	-		-	-	-	-
Interest on Long term debt	-	-	-	-	-	-		-	-	-	-
Total governmental activities program revenues	<u>23,408,294</u>	<u>23,178,790</u>	<u>20,629,007</u>	<u>19,615,681</u>	<u>23,793,355</u>	<u>31,142,513</u>		<u>31,268,320</u>	<u>31,059,840</u>	<u>24,973,547</u>	<u>27,819,035</u>

CITY OF SANTA FE, NEW MEXICO
TABLE II - CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Wastewater Management	\$ 12,524,483	\$ 12,382,263	\$ 12,335,788	\$ 12,017,340	\$ 12,337,206	\$ 14,146,430	\$ 13,473,205	\$ 13,246,201	\$ 13,400,471	\$ 14,410,283
Water Management	35,478,027	37,709,064	41,424,382	38,157,206	35,429,865	42,499,151	37,298,329	38,288,412	34,553,802	36,989,724
Rallyard Center	712,325	574,930	432,332	448,776	405,576	728,852	515,558	759,581	906,965	347,968
Santa Fe Convention Center	494,117	1,020,386	294,257	231,276	408,129	488,109	478,637	949,407	854,987	588,939
Environmental Services	10,030,316	10,144,062	10,572,918	11,574,429	11,687,609	12,932,405	13,394,451	13,014,561	12,979,443	13,198,004
College of Santa Fe	2,374,914	2,350,000	2,350,086	2,350,000	2,350,000	2,350,000	1,080,000	1,504,309	857,010	381,313
Municipal Recreation Complex	1,159,308	1,118,569	1,078,252	1,089,457	1,114,221	1,163,244	1,177,657	1,245,505	1,216,964	685,037
Parking Enterprise Fund	4,419,714	4,627,583	5,075,348	4,722,434	4,472,618	4,596,479	5,023,562	5,537,624	6,270,087	4,490,425
Transit and Airport Systems	2,312,176	2,424,594	2,519,902	2,380,611	3,079,345	3,171,468	3,252,018	1,576,708	1,501,515	510,393
Airport	-	-	-	-	-	-	-	2,270,281	2,048,149	2,679,632
Genevova Chavez Community Center	1,970,167	1,869,036	1,899,221	1,950,872	1,996,390	1,941,290	2,038,086	1,897,296	1,983,244	1,421,899
All other proprietary funds	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
Wastewater Management	-	-	-	-	-	-	-	-	-	-
Water Management	-	-	-	-	-	1,212,418	14,069	4,365	-	-
Rallyard Center	-	-	-	-	-	-	-	106,625	28,360	11,875
Santa Fe Convention Center	-	-	-	-	-	6,323	7,216	5,820	-	-
Environmental Services	-	-	-	-	-	-	-	-	-	-
College of Santa Fe	-	-	-	-	-	-	-	-	-	34,019
Municipal Recreation Complex	-	-	-	-	-	112,741	251,245	47,985	1,272	11,994
Parking Enterprise Fund	-	-	-	-	-	-	-	-	-	-
Transit and Airport Systems	-	1,334,570	2,510,011	2,568,477	4,810,403	2,723,625	2,724,475	1,809,723	2,617,853	-
Airport	-	-	-	-	-	-	-	2,313,004	3,255,843	2,848,135
Genevova Chavez Community Center	-	-	-	-	-	19,663	5,337	-	-	-
All other proprietary funds	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
Wastewater Management	184,019	-	-	-	-	-	-	-	-	-
Water Management	3,150,751	487,250	1,542,771	4,162,171	960,062	135,000	-	-	-	-
Rallyard Center	668,500	-	-	-	-	-	-	-	-	-
Santa Fe Convention Center	3,500	11,234	6,167	6,613	6,826	-	-	-	-	-
Environmental Services	-	-	-	114,670	75,623	-	-	-	-	-
College of Santa Fe	-	-	-	-	-	-	-	-	-	-
Municipal Recreation Complex	-	-	-	-	44,378	-	-	-	-	-
Parking Enterprise Fund	-	-	-	-	22	-	-	-	-	-
Transit and Airport Systems	4,276,281	3,787,053	2,858,565	1,566,216	318,722	413,384	90,198	-	-	-
Airport	-	-	-	-	-	-	-	-	-	-
Genevova Chavez Community Center	-	75,367	140,600	-	-	-	-	-	-	-
All other proprietary funds	-	40,000	68,274	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>79,758,598</u>	<u>79,955,961</u>	<u>85,108,874</u>	<u>83,340,548</u>	<u>79,496,995</u>	<u>88,640,582</u>	<u>80,824,043</u>	<u>84,577,407</u>	<u>82,475,965</u>	<u>78,609,640</u>
Total government program revenues	<u>\$ 103,166,892</u>	<u>\$ 103,134,751</u>	<u>\$ 105,737,881</u>	<u>\$ 102,956,229</u>	<u>\$ 103,641,068</u>	<u>\$ 119,783,095</u>	<u>\$ 112,092,363</u>	<u>\$ 115,637,247</u>	<u>\$ 107,449,512</u>	<u>\$ 106,428,675</u>

CITY OF SANTA FE, NEW MEXICO
TABLE II - CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

	2011	2012	2013	2014	2015	2016	#	2017	2018	2019	2020
Net (Expenses)/Revenue											
Governmental activities											
General Government	\$ (22,849,063)	\$ (21,203,473)	\$ (15,235,330)	\$ (22,690,385)	\$ (17,712,978)	\$ (20,106,861)		\$ (18,518,334)	\$ (45,752,492)	\$ (25,976,873)	\$ (34,117,220)
Public Safety	(30,918,609)	(34,471,787)	(39,328,300)	(36,829,807)	(36,205,254)	(37,069,246)		(37,331,658)	(39,373,389)	(39,053,982)	(38,287,326)
Public Works	(12,052,411)	(5,776,085)	(11,814,387)	(13,253,201)	(12,716,873)	(7,617,741)		(7,011,645)	(12,577,807)	(13,081,568)	(15,308,606)
Community development	(7,690,275)	(7,800,788)	(10,787,505)	(6,899,407)	(8,076,529)	(7,800,944)		(7,695,037)	(8,308,409)	(11,534,334)	(7,295,580)
Culture and recreation	(8,551,815)	(10,772,610)	(11,111,185)	(12,707,686)	(11,865,934)	(11,469,073)		(10,365,467)	(13,137,822)	(12,584,800)	(12,587,597)
Education	(2,846,887)	(2,673,364)	(2,711,183)	(2,547,259)	(2,620,019)	(2,606,639)		(2,607,121)	(2,143,937)	(2,044,705)	(2,009,106)
Interest on Long term debt	(4,952,563)	(5,847,128)	(5,768,231)	(5,591,088)	(4,580,529)	(4,543,956)		(6,550,160)	(2,509,738)	(3,367,613)	(2,842,048)
Business-type activities											
Wastewater Management	(1,996,630)	(2,496,725)	(764,415)	(973,667)	(1,898,517)	663,481		(687,366)	2,048,308	(243,146)	4,724,471
Water Management	10,176,687	1,169,932	3,436,685	(4,457,317)	(3,913,069)	(1,241,687)		(7,861,107)	5,055,768	(4,552,299)	1,685,830
Railyard Center	(368,078)	(2,490,550)	(3,701,891)	(4,785,790)	(4,901,829)	(3,622,814)		(3,844,750)	(3,398,185)	(2,688,829)	(2,743,538)
Santa Fe Convention Center	(2,452,904)	(3,962,178)	(4,893,517)	(4,692,120)	(5,780,868)	(2,929,037)		(4,633,104)	(3,676,594)	(4,029,243)	(3,900,928)
Environmental Services	(962,340)	(1,422,992)	(506,773)	(74,305)	384,479	1,055,943		(1,015,698)	1,713,476	260,771	1,172,375
College of Santa Fe	428,211	1,267,817	1,427,232	(166,891)	803,971	(1,413,512)		(2,069,944)	(1,822,934)	(3,681,890)	(4,302,291)
Municipal Recreation Complex	(177,212)	(662,506)	(747,675)	(552,467)	(584,218)	(605,891)		(565,448)	(514,453)	(546,243)	(1,298,673)
Parking Enterprise Fund	(727,697)	(295,994)	(233,418)	(563,134)	(290,967)	(813,294)		(1,390,854)	955,052	277,367	150,048
Transit and Airport Systems	(4,396,150)	(4,139,864)	(3,780,357)	(6,012,081)	(6,694,759)	(8,823,612)		(11,832,481)	(5,649,116)	(7,648,183)	(12,268,975)
Airport	-	-	-	-	-	-		-	343,479	714,446	1,167,692
Genoveva Chavez Community Center	(2,755,221)	(2,607,289)	(2,994,245)	(2,690,403)	(3,051,675)	(2,885,002)		(3,359,263)	(1,948,319)	(3,139,818)	(3,647,306)
All other proprietary funds	-	-	-	-	-	-		-	-	-	-
Total government expenses	<u>\$ (93,092,957)</u>	<u>\$ (104,165,584)</u>	<u>\$ (109,514,495)</u>	<u>\$ (125,487,008)</u>	<u>\$ (119,705,568)</u>	<u>\$ (111,829,885)</u>		<u>\$ (127,339,437)</u>	<u>\$ (130,697,112)</u>	<u>\$ (132,920,942)</u>	<u>\$ (131,708,778)</u>

CITY OF SANTA FE, NEW MEXICO
TABLE II - CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

	2011	2012	2013	2014	2015	2016	#	2017	2018	2019	2020
General Revenues and Other Changes in Net Position											
Governmental activities											
Taxes											
Property taxes	\$ 7,763,486	\$ 8,317,569	\$ 8,082,970	\$ 9,251,086	\$ 9,636,160	\$ 10,610,845		\$ 11,442,774	\$ 11,538,486	\$ 10,784,754	\$ 10,850,661
Sales taxes	77,533,815	80,000,069	79,927,194	83,633,041	85,911,545	88,954,804		94,225,671	106,347,538	106,212,788	110,226,633
Lodgers taxes	8,350,150	7,881,259	8,009,032	8,376,475	9,251,039	9,664,653		10,809,464	11,743,131	12,533,263	9,947,568
Franchise taxes	2,226,689	2,535,193	2,992,353	2,892,235	2,821,230	3,669,517		4,104,877	4,397,468	4,845,850	5,074,062
Motor fuel taxes	1,792,433	1,772,322	1,703,819	1,895,938	1,859,045	1,684,034		1,956,647	1,862,317	1,818,855	1,748,712
Cigarette taxes	8,940	91	1,246,517	-	-	-		-	-	-	-
Unrestricted investment earnings	492,319	515,681	235,245	591,813	450,301	360,613		1,015,860	1,286,140	2,917,417	2,495,981
Miscellaneous revenues	1,993,112	1,176,732	1,374,606	1,555,925	1,001,298	933,386		521,773	1,902,172	934,939	970,751
Gain on sale of capital assets	-	73,295	-	3,300	-	-		143,956	274,010	92,884	(947,018)
Transfers	(11,714,456)	(16,463,102)	(9,149,210)	(13,794,268)	(18,049,329)	(11,979,824)		(20,668,193)	(22,784,290)	(23,011,145)	(22,868,916)
Special Item-transfer of capital asset	-	-	-	-	-	-		-	-	-	-
Total governmental activities	<u>88,446,488</u>	<u>85,809,109</u>	<u>94,422,526</u>	<u>94,405,545</u>	<u>92,881,289</u>	<u>103,898,028</u>		<u>103,552,829</u>	<u>116,566,972</u>	<u>117,129,605</u>	<u>117,498,434</u>
Business-type activities											
Property taxes	10,615,795	-	-	-	-	-		-	-	-	-
Sales taxes	-	10,955,392	11,138,547	11,462,992	11,762,071	12,218,907		8,921,338	4,463,728	4,666,176	4,902,969
Unrestricted investment earnings	775,571	840,509	177,928	1,152,797	838,062	647,384		208,987	334,535	2,365,557	841,319
Miscellaneous revenues	-	(57,111)	276,287	-	-	-		-	-	-	(394,966)
Donated land	-	-	-	-	-	-		-	-	-	-
Gain (loss) on sale of capital assets	4,317,366	40,705	33,941	(6,888)	2,900	29,610		136,297	-	-	(830,157)
Transfers	11,714,456	16,463,102	9,149,210	13,794,268	18,049,329	11,979,824		20,668,193	22,784,290	23,011,145	22,868,916
Special Item-transfer of capital asset	-	-	-	-	-	-		-	-	-	-
Total business-type activities	<u>27,423,188</u>	<u>28,242,597</u>	<u>20,775,913</u>	<u>26,403,169</u>	<u>30,652,362</u>	<u>24,875,725</u>		<u>29,934,815</u>	<u>27,582,553</u>	<u>30,042,878</u>	<u>27,388,081</u>
Total government	<u>\$ 115,869,676</u>	<u>\$ 114,051,706</u>	<u>\$ 115,198,439</u>	<u>\$ 120,808,714</u>	<u>\$ 123,533,651</u>	<u>\$ 128,773,753</u>		<u>\$ 133,487,644</u>	<u>\$ 144,149,525</u>	<u>\$ 147,172,483</u>	<u>\$ 144,886,515</u>
Change in Net Position											
Governmental activities	\$ (1,415,135)	\$ (2,736,126)	\$ (2,333,595)	\$ (6,113,288)	\$ (896,827)	\$ 12,683,568		\$ 13,473,407	\$ (7,236,622)	\$ 9,485,730	\$ 5,050,952
Business-type activities	24,191,854	12,422,248	8,017,539	1,434,994	4,724,910	4,260,300 #		(7,325,200)	20,689,035	4,765,811	8,126,786
Total government	<u>\$ 22,776,719</u>	<u>\$ 9,686,122</u>	<u>\$ 5,683,944</u>	<u>\$ (4,678,294)</u>	<u>\$ 3,828,083</u>	<u>\$ 16,943,868</u>		<u>\$ 6,148,207</u>	<u>\$ 13,452,413</u>	<u>\$ 14,251,541</u>	<u>\$ 13,177,738</u>

CITY OF SANTA FE, NEW MEXICO
TABLE III - FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Non-Spendable	\$ 440,752	\$ 145,699	\$ 105,822	\$ 84,269	\$ 92,436	\$ 101,015	\$ 88,693	\$ 82,622	\$ 52,395	\$ 46,435
Restricted	6,071,202	5,458,379	6,378,383	6,136,549	6,532,724	6,649,878	7,456,833	7,791,216	14,872,571	28,584,156
Committed	1,243,499	1,310,811	1,306,416	1,256,819	1,340,604	1,362,023	1,557,795	1,616,780	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	8,269,206	10,845,524	8,804,906	8,292,215	7,108,052	12,835,273	5,137,319	5,631,930	9,491,054	859,059
Total General Fund	\$ 16,024,659	\$ 17,760,413	\$ 16,595,527	\$ 15,769,852	\$ 15,073,816	\$ 20,948,189	\$ 14,240,640	\$ 15,122,548	\$ 24,416,020	\$ 29,489,650
All Other Governmental Funds										
Non-Spendable	11,184,545	11,443,717	11,326,634	4,334,545	250,000	250,000	255,000	255,656	1,399,412	255,656
Restricted	41,744,396	44,110,480	36,373,892	42,781,711	53,978,741	47,058,413	37,934,570	40,339,627	43,509,702	36,545,451
Committed	2,007,489	5,211,699	2,886,735	863,689	1,098,113	1,311,953	1,459,841	1,527,787	1,757,810	2,055,893
Assigned	3,375,086	6,064,720	4,147,913	6,609,152	7,912,322	6,240,251	7,278,855	17,865,825	32,648,601	42,329,482
Unassigned	(413,391)	(382,397)	(48,666)	(908,779)	(1,375,770)	(194,252)	(2,532,002)	(3,045,850)	(14,037)	(10,266,934)
Total All Other Governmental Funds	\$ 57,898,125	\$ 66,448,219	\$ 54,686,508	\$ 53,680,318	\$ 61,863,406	\$ 54,666,365	\$ 44,396,264	\$ 56,943,045	\$ 79,301,488	\$ 70,919,548

CITY OF SANTA FE, NEW MEXICO
TABLE IV - CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 97,675,513	\$ 100,506,503	\$ 101,961,885	\$ 106,048,775	\$ 109,389,019	\$ 114,583,853	\$ 122,539,435	\$ 135,888,940	\$ 136,195,510	\$ 137,847,636
Licenses and permits	1,855,363	2,341,436	2,856,179	2,346,669	2,461,998	2,760,196	3,533,969	4,224,394	3,868,957	3,705,955
Intergovernmental revenues	12,021,489	12,082,661	7,816,549	8,221,733	6,724,489	12,394,355	13,364,355	7,762,365	5,991,127	6,177,238
Fees and charges for services	9,531,442	8,754,693	9,949,863	9,044,279	13,927,167	15,307,074	13,729,500	15,924,012	13,692,821	13,727,553
Sale of capital assets	35,552	-	-	3,300	-	-	-	-	-	-
Fines and forfeitures	448,621	370,072	412,236	506,527	429,736	373,917	304,712	619,505	442,164	308,188
Rents, royalties and concessions	219,850	205,990	156,741	180,538	339,965	306,971	335,542	338,653	455,852	267,325
Investment income	378,878	408,800	213,794	478,747	372,628	286,471	967,673	1,223,725	2,576,569	2,407,056
Land Sales	-	90,939	260,328	253,445	173,500	419,439	198,277	-	-	-
Other revenues	1,288,904	589,225	545,301	615,415	827,798	513,947	521,772	1,902,172	934,939	970,751
Total Revenues	123,455,612	125,350,319	124,172,876	127,699,428	134,646,300	146,946,223	155,495,478	167,883,766	164,157,939	165,411,702
Expenditures										
General government	23,115,451	22,986,525	24,072,339	21,224,217	27,191,995	28,875,061	29,120,290	-	-	-
Public safety	36,797,749	36,273,737	40,060,495	41,461,515	41,931,574	42,050,323	42,005,888	-	-	-
Public works	9,198,763	6,222,086	6,283,527	6,247,484	6,850,449	6,463,090	5,883,784	-	-	-
Community development	12,093,940	10,154,155	11,086,013	10,469,220	11,339,034	11,378,061	9,707,249	-	-	-
Culture and recreation	11,709,686	10,545,655	12,473,946	11,524,049	11,268,209	11,658,586	11,268,292	-	-	-
Education	2,841,615	2,670,215	2,710,895	2,545,991	2,620,019	2,600,930	2,619,374	-	-	-
Capital outlay	13,392,473	18,196,279	17,228,467	16,317,789	16,566,429	17,510,589	23,825,930	11,261,877	9,369,477	21,854,571
Salaries, Wages, and Fringe Benefits	-	-	-	-	-	-	-	72,677,282	72,594,308	71,554,978
Contractual Services and Utilities	-	-	-	-	-	-	-	17,519,453	15,476,002	17,133,540
Repairs and Maintenance	-	-	-	-	-	-	-	849,753	1,406,342	1,000,123
Supplies	-	-	-	-	-	-	-	4,814,522	4,429,893	4,676,631
Insurance Premiums	-	-	-	-	-	-	-	3,156,257	3,117,178	3,158,176
Claims and Judgements	-	-	-	-	-	-	-	1,755	216,984	-
Other	-	-	-	-	-	-	-	14,146,445	9,776,684	11,260,798
Capital outlay/inventory exempt	-	-	-	-	-	-	-	4,751,489	1,141,957	866,335
Debt Service:										
Principal	23,509,213	23,538,688	33,489,819	8,681,450	9,677,468	10,113,885	42,759,006	9,989,010	9,915,417	15,812,597
Interest and fiscal agent fees	6,562,034	6,202,697	6,727,493	5,238,130	5,623,865	5,539,428	5,356,836	4,174,556	4,844,209	4,780,557
Bond issuance costs	420,600	401,987	399,940	187,572	466,645	-	-	215,345	283,100	222,635
Total expenditures	139,641,524	137,192,024	154,532,934	123,897,417	133,535,687	136,189,953	172,546,649	143,557,744	132,571,551	152,320,941
Excess of revenues over (under)	(16,185,912)	(11,841,705)	(30,360,058)	3,802,011	1,110,613	10,756,270	(17,051,171)	24,326,022	31,586,388	13,090,761
Other Financing Sources (Uses)										
Transfers in	53,075,463	77,138,478	59,160,811	39,572,832	45,645,545	28,172,546	45,402,483	33,496,749	31,598,471	26,351,791
Transfers out	(64,789,919)	(92,759,737)	(68,301,293)	(53,257,903)	(63,598,829)	(40,251,484)	(65,974,790)	(56,445,171)	(54,279,164)	(49,205,831)
HUD loan payments (flow through)	31,815	30,973	30,095	29,192	-	-	-	-	-	-
Other uses	-	-	-	-	-	-	-	-	-	-
Other sources	-	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	333,238	92,884	21,170
Issuance of Bonds:										
Face value of bonds issued	25,305,000	32,725,000	24,900,000	11,760,000	21,260,000	-	19,941,836	10,290,000	20,000,000	5,445,000
Premium on issuance of bond	2,027,264	4,992,779	1,643,848	262,003	3,069,723	-	917,815	1,427,851	2,653,336	988,799
Payments to refund bond	-	-	-	-	-	-	(1,843,472)	-	-	-
Total other Financing sources (uses)	15,649,623	22,127,493	17,433,461	(1,633,876)	6,376,439	(12,078,938)	(1,556,128)	(10,897,333)	65,527	(16,399,071)
Net change in fund balances	\$ (536,289)	\$ 10,285,788	\$ (12,926,597)	\$ 2,168,135	\$ 7,487,052	\$ (1,322,668)	\$ (18,607,299)	\$ 13,428,689	\$ 31,651,915	\$ (3,308,310)
Debt service as a percentage of noncapital expenditures	23.8%	25.0%	29.3%	12.9%	13.1%	13.2%	32.4%	10.7%	12.0%	15.8%

CITY OF SANTA FE, NEW MEXICO
TABLE V - ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS, IN THOUSANDS OF DOLLARS
(UNAUDITED)

Fiscal Year Ended June 30	Real Property Assessed Value	Estimated Actual Value	Personal Property Assessed Value	Estimated Actual Value	Exemptions Real Property	Total Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Estimated
2010	3,632,556	10,908,577	62,630	188,078	67,679	3,627,507	10,893,414	33.3%
2011	3,655,579	10,977,715	61,775	185,511	70,146	3,647,208	10,952,577	33.3%
2012	3,669,055	11,018,183	59,346	178,216	72,281	3,656,120	10,979,339	33.3%
2013	3,681,278	11,054,889	59,759	179,456	71,582	3,669,454	11,019,381	33.3%
2014	3,682,763	11,059,348	62,782	188,535	78,845	3,666,701	11,011,114	33.3%
2015	3,793,449	11,391,739	64,484	193,646	83,078	3,774,856	11,335,904	33.3%
2016	3,906,095	11,730,015	64,726	194,372	92,456	3,878,365	11,646,742	33.3%
2017	4,111,133	12,345,745	62,236	186,895	116,678	4,057,690	12,185,255	33.3%
2018	4,168,953	12,519,377	46,605	139,956	399,961	4,139,262	12,430,216	33.3%
2019	4,392,448	13,178,662	51,056	153,182	483,836	4,341,392	13,025,479	33.3%
2020	4,557,718	13,673,153	55,293	165,879	580,292	4,502,425	13,507,274	33.3%

Note: The New Mexico State constitution regulates areas of property tax. The assessed valuation is estimated and set at 33 1/3% of market valuation by New Mexico statutes.

Source: Santa Fe County Assessor's Office Abstract

CITY OF SANTA FE, NEW MEXICO
TABLE VI - BOTH RESIDENTIAL AND NONRESIDENTIAL
PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION
ALL DIRECT AND OVERLAPPING GOVERNMENTS
(UNAUDITED)

RESIDENTIAL

Tax Year Ended June 30	City	State	County	School District	Santa Fe Community College	Total Residential Tax Levy
2011	1.878	1.362	6.742	7.120	3.314	20.416
2012	1.729	1.360	6.662	7.048	3.292	20.091
2013	2.082	1.360	6.860	7.049	3.386	20.737
2014	2.151	1.360	7.642	8.585	3.625	23.363
2015	2.372	1.360	8.039	8.572	3.776	24.119
2016	2.442	1.360	7.864	8.617	3.690	23.973
2017	2.419	1.360	7.924	9.292	3.690	24.685
2018	2.199	1.360	7.945	9.389	3.690	24.583
2019	2.093	1.360	7.923	9.362	3.667	24.405
2020	1.932	1.360	7.822	9.302	3.615	24.031

NON-RESIDENTIAL

Tax Year Ended June 30	City	State	County	School District	Santa Fe Community College	Total Non- Residential Tax Levy
2011	3.560	1.362	13.701	7.485	4.015	30.123
2012	3.381	1.360	13.490	7.420	3.930	29.581
2013	3.693	1.360	13.491	7.416	3.930	29.890
2014	3.643	1.360	13.581	8.933	3.930	31.447
2015	3.754	1.360	13.760	8.868	3.995	31.737
2016	3.956	1.360	13.821	9.075	4.000	32.212
2017	3.977	1.360	13.973	9.807	4.000	33.117
2018	3.766	1.360	13.973	9.807	3.994	32.900
2019	3.670	1.360	13.974	9.807	3.985	32.796
2020	3.533	1.360	13.974	9.809	3.985	32.661

Source: New Mexico Department of Finance and Administration,
Local Government Division

CITY OF SANTA FE, NEW MEXICO
TABLE VII - PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

<u>Taxpayer</u>	<u>2019</u>			<u>2010</u>		
	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>	<u>Taxable</u>	<u>Rank</u>	<u>Percentage of</u>
	<u>Assessed Value</u>		<u>Total County</u>	<u>Assessed Value</u>		<u>Total City</u>
Public Service New Mexico	\$ 183,934,873	1	2.23%	\$ 25,931,571	1	0.40%
New Mexico Gas Co	46,852,812	2	0.57%	-	-	0.00%
Truzaf Ltd.	46,516,511	3	0.56%	11,304,075	-	0.18%
BNSF Railway Company	46,016,480	4	0.56%	6,360,127	-	0.10%
Mid-America Pipeline Co	36,778,344	5	0.45%	3,986,998	1	0.06%
El Castillo Retire Res.	34,237,627	6	0.42%	3,543,354	-	0.06%
Wal-Mart	30,934,604	7	0.38%	11,578,703	6	0.18%
Guadalupe Hotel Investment	30,388,234	8	0.37%	884,092	-	0.01%
La Fonda Hotel	30,226,118	9	0.37%	5,512,369	-	0.09%
Rancho Encantado	25,955,213	10	0.31%	8,944,283	-	0.14%
Quest	20,271,566	11	0.25%	21,776,884	-	0.34%
De Vargas Center Associates	24,193,656	12	0.29%	6,833,333	-	0.11%
Total	\$ 556,306,038		6.75%	\$ 106,655,789		1.66%

Source: Santa Fe County Assessor's Office

CITY OF SANTA FE, NEW MEXICO
TABLE VIII - TOTAL TAXABLE BASE FOR GROSS RECEIPTS BY FISCAL YEAR
(UNAUDITED)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Agriculture, Forestry, Hunting, Fishing	\$ 9,879,744	\$ 7,055,650	\$ 5,847,839	\$ 4,220,241	\$ 4,257,127	\$ 4,538,877	\$ 6,088,690	\$ 8,763,303	\$ 5,151,748	\$ 6,164,227
Mining	45,695	34,881	105,254	137,738	484,092	467,021	143,357	142,181	72,464	190,896
Utilities									91,314,514	96,479,040
Transportation and Warehousing	96,542,131	99,708,882	93,074,119	98,216,273	84,950,190	111,692,127	115,417,629	268,319,198	445,444,047	502,383,663
Construction	255,458,962	302,263,940	278,676,381	305,323,749	248,761,976	304,185,739	359,454,251	501,882,802	63,249,747	57,068,127
Manufacturing	54,372,037	51,923,598	50,973,424	53,958,423	49,204,771	52,870,906	57,377,739	63,818,417	81,044,671	95,053,426
Wholesale	48,886,043	52,366,170	43,776,255	43,008,303	49,402,224	58,327,532	62,416,707	77,572,554	959,745,734	1,039,867,614
Retail	884,291,670	899,263,874	876,175,072	910,890,987	854,421,956	958,505,682	962,858,945	1,049,687,835	11,597,859	10,203,366
Information									145,886,639	97,739,326
Finance, Insurance & Real Estate	81,396,496	88,446,087	100,856,362	117,264,939	104,978,861	128,633,960	145,628,165	194,705,440	51,292,219	65,739,641
Real Estate Rental and Leasing									108,221,024	133,818,336
Professional, Scientific, and Technical Services									300,517,642	368,472,840
Management of Companies and Enterprises									3,276,003	2,515,914
Administrative, Support, Waste Management, and Remediation									57,446,362	83,068,686
Educational Services									25,734,578	12,070,097
Health Care and Social Assistance									183,990,041	185,854,845
Art, Entertainment and Recreation									46,674,642	24,936,954
Accommodations and Food Services									517,643,144	359,919,724
Services	1,146,522,994	1,182,173,866	1,224,325,406	1,319,341,298	1,284,039,025	1,434,165,176	569,760,878	1,467,636,416	311,172,733	259,688,501
Government	-	15,356	48,326	4,625	-	291,295	286,171.00	805,119	652,734	386,877
Unclassified/Misc. Other	7,983,405	10,460,937	7,737,771	32,777,051	57,749,481	42,440,209	21,328,619	18,332,285	29,255,102	14,682,357
Total	\$ 2,585,379,177	\$ 2,693,713,241	\$ 2,681,596,209	\$ 2,885,143,627	\$ 2,738,249,703	\$ 3,096,118,524	\$ 2,300,761,151	\$ 3,651,665,550	\$ 3,439,383,646	\$ 3,449,845,596

Source: State of New Mexico Taxation and Revenue Department RP-500 Updated to Current Breakdown by Industry.
Major changes in data format for earlier years preclude extending this table to earlier years. Data change June 2020.
Note: GASB 34 Implemented 2002

CITY OF SANTA FE, NEW MEXICO
TABLE IX - DIRECT AND OVERLAPPING GROSS RECEIPTS TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Santa Fe County</u>
2011	8.19%	6.62%
2012	8.19%	6.62%
2013	8.19%	6.62%
2014	8.19%	6.87%
2015	8.19%	6.87%
2016	8.31%	7.00%
2017	8.31%	7.00%
2018	8.44%	7.13%
2019	8.44%	6.63%
2020	8.44%	6.63%

Source: Table of Enactment Dates - Municipal Local Option Gross Receipts Taxes

Note: GASB 34 Implemented 2002

CITY OF SANTA FE, NEW MEXICO
TABLE X - SCHEDULE OF PLEDGED REVENUES
FISCAL YEARS 2019 AND 2020
(UNAUDITED)

	Fiscal Year	
	2019	2020
0.05% Municipal Gross Receipts Tax (GRT) revenues	\$ 16,361,265	\$ 19,192,912
MGRT Infrastructure revenues	2,231,223	2,306,713
State shared GRT revenues	42,369,327	43,857,758
TOTAL	\$ 60,961,815	\$ 65,357,383

Source: City of Santa Fe Finance Department

CITY OF SANTA FE, NEW MEXICO
TABLE XI - SCHEDULE OF GROSS RECEIPTS TAX REVENUES
FISCAL YEARS 2019 AND 2020
(UNAUDITED)

	Fiscal Year	
	<u>2019</u>	<u>2020</u>
Municipal general GRT (Including Capital Improvements)	\$ 43,369,002	\$ 47,252,096
Infrastructure revenues	8,924,893	9,226,851
MGRT revenues	10,646,472	8,741,537
Environmental revenues	2,231,166	2,306,560
State-shared GRT revenues	45,272,269	46,843,019
Water Capital Outlay	84,485	-
Municipal Equivalent Distribution	<u>350,681</u>	<u>759,539</u>
TOTAL	<u><u>\$ 110,878,968</u></u>	<u><u>\$ 115,129,602</u></u>

Source: City of Santa Fe Finance Department

CITY OF SANTA FE, NEW MEXICO
TABLE XII - RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(UNAUDITED)

GENERAL FUND EQUITY DEBT

Fiscal Year Ended June 30	Population ¹	Assessed Value ²	Total General Obligation Debt Outstanding June 30 (Par Value) ⁵	Amount Available Debt Service Fund ⁶	Net Bonded Debt	Ratio of Net Long Term Debt To Assessed Value	Net General Long Term Debt Per Capita
2011	68,642	\$ 3,647,208,573	\$ 28,950,000	\$ 3,063,476	\$ 25,886,524	0.79%	377
2012	68,500	\$ 3,656,120,170	\$ 27,710,000	\$ 3,431,635	\$ 24,278,365	0.76%	354
2013	68,800	\$ 3,669,453,816	\$ 26,510,000	\$ 3,210,845	\$ 23,299,155	0.72%	339
2014 ⁽⁴⁾	82,800	\$ 3,666,700,895	\$ 37,265,000	\$ 4,057,286	\$ 33,207,714	1.02%	401
2015	83,000	\$ 3,774,855,457	\$ 41,305,000	\$ 4,054,334	\$ 37,250,666	1.09%	449
2016	84,009	\$ 3,878,365,023	\$ 39,270,000	\$ 4,469,142	\$ 34,800,858	1.01%	414
2017	83,776	\$ 4,057,690,611	\$ 23,635,000	\$ 762,433	\$ 22,872,567	0.58%	273
2018	83,875	\$ 4,139,262,870	\$ 22,425,000	\$ 1,266,526	\$ 21,158,475	0.54%	252
2019	84,612	\$ 4,353,433,480	\$ 21,175,000	\$ 1,674,630	\$ 19,500,370	0.49%	230
2020	87,505	\$ 4,557,718,000	\$ 19,130,000	\$ 1,110,077	\$ 18,019,923	0.42%	206

¹ Estimated population figures for 2007, 2008, 2009 and 2010 were provided by the City of Santa Fe Planning Department staff. Estimated population figures for 2011, 2012 were provided by US Census Bureau. 2014, 2015, 2016, 2017 and 2018 populations are estimated by Santa Fe Planning Department staff.

² Assessments are made by the elected Santa Fe County Assessor. Assessments are made each year in January. Amounts represent thirty-three and one-third percent of market value as set by state statute.

³ The City issued its first general obligation debt in 28 years on June 10, 2008.

⁴ The County annexation was completed in 2014.

⁵ Includes general obligation outstanding par only, excluding any applicable unamortized premium or discount.

⁶ Includes restricted cash as well as accumulated unrestricted investment income and other unrestricted miscellaneous income.

CITY OF SANTA FE, NEW MEXICO
TABLE XIII - RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS
(UNAUDITED)

FISCAL YEAR	PRINCIPAL	INTEREST	DEBT SERVICE	TOTAL GENERAL FUND EXPENDITURE	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
2011	\$ 750,000	\$ 883,796	\$ 1,633,796	\$ 69,496,944	0.0235
2012	\$ 1,240,000	\$ 1,105,258	\$ 2,345,528	\$ 63,207,592	0.0371
2013	\$ 1,200,000	\$ 1,065,870	\$ 2,265,870	\$ 67,822,465	0.0334
2014	\$ 1,245,000	\$ 1,220,740	\$ 2,465,740	\$ 63,903,013	0.0386
2015	\$ 1,760,000	\$ 1,439,537	\$ 3,199,537	\$ 72,489,834	0.0441
2016	\$ 2,035,000	\$ 1,483,451	\$ 3,518,451	\$ 72,393,334	0.0486
2017	\$ 15,635,000	\$ 2,054,579	\$ 17,689,579	\$ 79,044,226	0.2238
2018	\$ 1,210,000	\$ 789,481	\$ 1,999,481	\$ 88,285,343	0.0226
2019	\$ 1,250,000	\$ 758,506	\$ 2,008,506	\$ 83,403,226	0.0241
2020	\$ 1,290,000	\$ 667,491	\$ 1,957,491	\$ 88,197,467	0.0222

The City of Santa Fe issued its first general obligation bond in 28 years on June 10, 2008.

Source: City of Santa Fe Finance Department

CITY OF SANTA FE, NEW MEXICO
TABLE XIV - COMPUTATION OF DIRECT AND OVERLAPPING DEBT
GENERAL OBLIGATION DEBT
JUNE 30, 2020
(UNAUDITED)

	General Obligation as of June 30, 2020 (Par Value) ¹	Percentage Applicable to City of Santa Fe	City of Santa Fe Share of Debt
City of Santa Fe	\$ 19,130,000	100.00%	<u>\$ 19,130,000</u>
Subtotal Direct Debt			<u>19,130,000</u>
State of New Mexico	\$ 421,700,000	4.03%	\$ 16,994,510
Santa Fe County	\$ 119,700,000	56.50%	67,630,500
Santa Fe Public Schools	\$ 204,920,767	70.58%	144,633,077
Santa Fe Community College	\$ 16,119,469	70.58%	<u>11,377,121</u>
Subtotal Overlapping Debt			<u>240,635,209</u>
Total Direct and Overlapping Debt			<u><u>\$ 259,765,209</u></u>

Ratios:

Total direct and overlapping debt to assessed valuation for tax year 2018 \$4,557,718,000	5.70%
Direct and overlapping debt to actual valuation of \$13,673,153,000	1.90%
Direct and overlapping debt per capita of 87,505	\$ 2,969

¹ Includes general obligation outstanding par value only, excluding any applicable unamortized premium or discount.

Source: City of Santa Fe Finance Department

CITY OF SANTA FE, NEW MEXICO
TABLE XV - LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Value Per DFA Capacity Statement	\$ 4,518,169,120
Debt Limit (4% of Assessed Value)	\$ 180,726,765
Debt applicable to limit	
General obligation bonds	(19,130,000)
Legal debt margin	\$ 161,596,765

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt Limit	\$ 145,888,343	\$ 146,244,807	\$ 148,439,172	\$ 148,959,429	\$ 152,108,584	\$ 156,571,714	\$ 162,307,624	\$ 165,570,515	\$ 174,137,339	\$ 180,726,765
Total net debt applicable to limit	(28,950,000)	(27,710,000)	(26,510,000)	(37,265,000)	(41,305,000)	(39,270,000)	(23,635,000)	(22,425,000)	(21,175,000)	19,130,000
Legal debt margin	\$ 116,938,343	\$ 118,534,807	\$ 121,929,172	\$ 111,694,429	\$ 110,803,584	\$ 117,301,714	\$ 138,672,624	\$ 143,145,515	\$ 152,962,339	\$ 199,856,765
Total net debt applicable to the limit as a percentage of debt limit	19.84%	18.95%	17.86%	25.02%	27.15%	25.08%	14.56%	13.54%	12.16%	-10.59%

Note: Under state finance law, the city's outstanding general obligation debt should not exceed 4 percent of total assessed property value.

Source: State of New Mexico, Department of Finance And Administration General Obligation Capacity Statement of April 30, 2013.

Source: City of Santa Fe Finance Department

CITY OF SANTA FE, NEW MEXICO
TABLE XVI - PLEDGE-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

Environmental Services ⁽¹⁾						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for	Debt Service		Coverage
			Debt Service	Principal	Interest	
				Service	Principal	
2011	11,861,931	9,609,126	2,252,805	720,000	584,835	1.73
2012	12,027,377	10,297,065	1,730,312	760,000	550,373	1.32
2013	12,443,575	9,773,117	2,670,458	785,000	518,073	2.05
2014	13,552,850	10,406,349	3,146,501	830,000	478,823	2.40
2015	13,692,104	10,862,279	2,829,825	865,000	442,660	2.16
2016	12,932,045	10,496,187	2,435,858	900,000	408,060	1.86
2017	13,394,451	13,279,596	114,855	876,067	293,800	0.10
2018	13,014,561	11,198,888	1,815,673	1,054,734	306,054	1.33
2019	12,979,443	12,624,084	355,359	1,080,781	263,054	0.26
2020	13,198,004	12,012,177	1,185,827	1,128,050	220,078	0.88

⁽¹⁾ Revenues pledged for 2015 included municipal gross receipts tax infrastructure revenues of \$1,963,001.

⁽²⁾ The City of Santa Fe Gross Receipts Tax Refunding Revenue Bonds, Series 2006B, were reclassified as enterprise debt in the solid waste fund in FY 2007-2008.

Water Management Bonds ⁽¹⁾						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for	Debt Service		Coverage
			Debt Service	Principal	Interest	
				Service	Principal	
2011	42,996,211	18,429,596	24,566,615	3,625,594	5,551,724	2.68
2012	45,548,927	30,005,770	15,543,157	4,217,187	5,812,050	1.55
2013	48,938,614	23,671,357	25,267,257	3,922,294	5,597,173	2.65
2014	46,257,538	31,205,838	15,051,700	4,077,726	5,413,333	1.59
2015	44,094,081	25,341,540	18,752,541	4,081,700	5,270,630	2.01
2016	42,499,151	30,769,361	11,729,790	4,307,203	5,132,271	1.24
2017	37,298,329	30,268,109	7,030,220	1,723,382	1,604,514	2.11
2018	38,288,412	29,217,866	9,070,546	1,746,720	1,614,859	2.70
2019	34,553,802	35,162,241	-608,439	1,783,891	1,582,618	(0.18)
2020	36,989,724	34,070,630	2,919,094	1,783,892	1,549,824	0.88

⁽¹⁾ Revenues pledged for 2015 included water system revenues

⁽²⁾ Debt includes bonds and loans.

Railyard Bonds ⁽¹⁾						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for	Debt Service		Coverage
			Debt Service	Principal	Interest	
				Service	Principal	
2012	1,905,015	143,131	1,761,884	293,660	546,300	2.10
2013 ⁽³⁾	1,082,385	503,933	578,452	301,959	541,711	0.69
2014	3,334,848	1,423,693	1,911,155	765,210	791,583	1.23
2015	2,974,548	1,599,788	1,374,760	884,007	671,594	0.88
2016	728,852	519,959	208,893	913,077	638,720	0.13
2017 ⁽³⁾	515,558	568,128	-52,570	970,000	1,432,187	(0.02)
2018	759,581	587,831	171,750	970,000	462,537	0.12
2019	906,965	3,278,896	-2,371,931	1,010,000	422,628	(1.66)
2020	510,393	2,809,151	-2,298,758	1,055,000	380,145	(1.60)

⁽¹⁾ Revenues pledged for 2015 include municipal gross receipts tax railyard infrastructure revenues \$2,231,000

⁽²⁾ The City of Santa Fe Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2010B, were issued December 14, 2010.

⁽³⁾ The City of Santa Fe Subordinate Line Gross Receipts Tax Improvement Revenue Bonds, Series 2012C, were issued December 19, 2012. Refunded in 2017 as a Taxable issue.

⁽⁴⁾ Debt includes the bond and loans.

(continued)

CITY OF SANTA FE, NEW MEXICO
TABLE XVI - PLEDGE-REVENUE COVERAGE (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

Municipal Recreation Complex Bonds ⁽¹⁾						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2011	2,017,133	1,156,748	860,385	790,000	500,428	0.67
2012	2,218,524	1,186,553	1,031,971	825,000	468,828	0.80
2013	2,375,602	1,172,309	1,203,293	865,000	435,827	0.93
2014	2,595,731	1,057,952	1,537,779	900,000	404,453	1.18
2015	2,701,069	1,198,698	1,502,371	920,000	368,453	1.17
2016	2,822,851	1,382,633	1,440,218	980,000	368,453	1.07
2017	1,177,657	1,563,065	-385,408	1,015,650	1,271,057	(0.17)
2018	1,245,505	1,673,644	-428,139	1,025,000	238,358	(0.34)
2019	1,216,964	1,682,245	-465,281	1,088,850	186,508	(0.36)
2020	685,037	1,953,355	-1,268,318	1,143,750	132,065	(0.99)

⁽¹⁾ City refunded MRC debt with the 2016C. MRC represents 63 percent of the 2016C

Convention Center Bonds ⁽¹⁾						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2011	3,041,881	1,672,968	1,368,913	1,035,000	2,308,350	0.41
2012	5,109,312	1,494,863	3,614,449	1,085,000	2,270,413	1.08
2013	4,693,690	1,693,851	2,999,839	1,130,000	2,230,675	0.89
2014	3,640,036	1,505,091	2,134,945	1,175,000	2,179,500	0.64
2015	4,422,895	1,901,069	2,521,826	1,761,500	1,544,245	0.76
2016	488,109	1,814,154	-1,326,045	1,295,000	1,571,030	(0.46)
2017	478,637	2,499,483	-2,020,846	958,000	1,569,323	(0.80)
2018	949,407	2,154,027	-1,204,620	975,800	1,181,296	(0.56)
2019	854,987	4,034,741	-3,179,754	1,602,450	1,144,366	(1.16)
2020	347,968	3,707,295	-3,359,327	2,012,400	1,083,321	(1.09)

⁽¹⁾ Two of the seven Lodgers Tax are for Convention Center Debt Service.

⁽²⁾ The New Mexico Finance Authority Convention Center loan was reclassified as enterprise debt in the convention center fund in FY 2007-2008. Debt includes the bond and loan.

Wastewater System Bonds						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2011	14,425,862	9,427,836	4,998,026	1,365,000	416,510	2.81
2012 (1)	13,539,337	9,556,158	3,983,179	1,445,000	486,025	2.06
2013	14,229,591	9,214,164	5,015,427	1,495,000	847,225	2.14
2014	14,111,275	9,374,911	4,736,364	1,515,000	794,750	2.05
2015	14,432,415	10,862,279	3,570,136	1,725,000	750,050	1.44
2016 (2)	14,146,430	10,061,120	4,085,310	1,840,000	695,600	1.61
2017	13,473,205	10,859,168	2,615,407	1,884,350	575,043	1.06
2018	13,246,201	10,991,902	2,254,299	1,990,000	539,443	0.89
2019 (3)	13,400,471	13,052,631	347,840	2,196,150	1,190,689	0.10
2020	14,410,283	9,118,086	5,292,197	2,351,250	961,335	1.60

(1) City issued \$14,280,000 2012B, Subordinate Lien GRT

(2) City issued \$9,480,000 2016C Refunding Bond, which 37% is allocated to Waste Water

(3) City issued \$13,550,000 2019 Green Bond

(continued)

CITY OF SANTA FE, NEW MEXICO
TABLE XVI - PLEDGE-REVENUE COVERAGE (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

College of Santa Fe Loan (1)						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2010	2,208,713	1,592,261	616,452	0	1,008,195	0.61
2011	2,436,997	1,007,658	1,429,339	615,000	1,605,973	0.64
2012	2,396,951	136,683	2,260,268	630,000	1,594,841	1.02
2013	2,357,959	18,851	2,339,108	645,000	1,580,226	1.05
2014	2,377,038	82,676	2,294,362	665,000	1,559,199	1.03
2015	2,362,616	12,450	2,350,166	685,000	1,535,857	1.06
2016	2,350,000	437,317	1,912,683	715,000	1,508,526	0.86
2017	1,080,000	0	1,080,000	745,000	1,478,567	0.49
2018	1,504,309	1,884,961	-380,652	775,000	1,445,264	(0.17)
2019	857,010	3,132,645	-2,275,635	815,000	1,409,460	(1.02)
2020	588,939	3,928,611	-3,339,672	850,000	1,370,993	(1.50)

⁽¹⁾ City of Santa Fe is currently in the process of redeveloping the College of Santa Fe into the Mid-Town Campus and has terminated the lease with Laureate.

⁽²⁾ The New Mexico Finance Authority Loan for the purchase of the College of Santa Fe was issued September 14, 2009. The loan was refinanced in July 2019.

Parking Loan (1)						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2016	4,596,479	4,414,701	181,778	-	287,038	0.63
2017	5,023,562	5,336,699	-313,137	407,000	530,855	(0.33)
2018	5,537,624	4,138,399	1,399,225	429,200	510,487	1.49
2019	6,270,087	5,571,868	698,219	449,550	490,487	0.74
2020 (2)	4,490,425	3,913,273	577,152	668,600	497,594	0.49

⁽¹⁾ The New Mexico Finance Authority Loan for the construction of the Convention Center and underground parking garage was refunded April 8,

⁽²⁾ Parking issued a note in FY20 for improvements to the garages.

Transit Loan (1)						
Fiscal Year End	Gross Revenues	Less: Non-Debt Expenses	Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2016(3)	1,395,699	9,473,601	(8,077,902)	273,320	63,284	(24.00)
2017	1,639,901	11,350,564	(9,710,663)	277,480	62,385	(28.57)
2018	1,576,708	8,975,274	(7,398,566)	279,664	60,548	(21.75)
2019	1,501,515	11,710,375	(10,208,860)	282,944	41,544	(31.46)
2020	381,313	12,726,543	(12,345,230)	287,358	55,477	(36.01)

⁽¹⁾ The New Mexico Finance Authority Loan for the purchase of buses was issued August 1, 2014.

⁽²⁾ GRT revenues are pledged to pay debt service for this loan in lieu of transit system revenues.

NOTE: Details regarding governmental outstanding debt can be found in the notes to the financial statements and in the Major Debt section of the CAFR.

CITY OF SANTA FE, NEW MEXICO
TABLE XVII - RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Government Activities						Business-Type Activities						Total Primary Government	Percent of Personal Income	Per Capita		
	GRT Bonds	General Oblig. Bonds	NMFA Loans	HUD 108 Loan	SFPS ¹ Loan	Capital Lease	MRC Bonds	Convention ² Center Bonds	Parking ² Bonds	Water Bonds	Wastewater Bonds	Environmental Bonds				Railyard Bonds	NMFA Loans
2011	75,596,503	29,528,321	18,213,291	243,000	280,000	-	11,107,272	49,709,753	-	104,848,553	23,484,340	11,950,805	-	58,840,567	383,802,405	17.83%	5,652
2012	90,034,778	28,257,043	17,572,603	225,000	-	767,600	10,237,425	48,535,388	-	101,750,528	22,254,971	11,172,695	11,032,788	46,015,124	387,885,943	17.45%	5,679
2013	97,558,427	27,025,765	2,965,784	207,000	-	575,700	9,355,139	47,316,023	-	98,527,553	20,483,684	10,369,585	15,856,786	44,603,487	374,844,933	16.57%	5,448
2014	89,223,139	38,011,079	2,817,334	189,000	-	383,800	8,437,853	46,051,658	-	95,169,578	18,752,735	9,521,475	15,067,127	42,605,655	366,230,433	17.77%	5,289
2015	98,729,591	42,244,953	2,663,866	-	-	191,900	7,500,567	32,447,704	13,656,229	92,373,649	16,811,786	8,638,365	14,162,468	43,603,387	373,024,465	14.95%	4,494
2016	89,973,701	40,152,961	2,504,981	-	-	-	6,503,281	30,171,602	13,590,889	41,671,803	14,755,837	7,720,255	13,232,809	42,428,833	302,706,952	12.02%	3,650
2017	99,603,790	23,635,000	1,088,790	-	-	-	5,518,099	30,034,635	13,116,397	40,554,114	12,596,436	7,967,712	12,351,078	39,620,848	286,086,899	11.13%	3,448
2018	76,637,000	22,425,000	815,340	-	-	-	3,730,150	26,053,350	11,449,650	34,890,000	9,299,850	4,980,000	10,730,000	38,816,099	239,826,439	9.05%	2,860
2019	88,112,000	21,175,000	702,363	-	-	-	2,641,300	24,483,900	11,000,100	34,000,000	20,653,700	4,080,000	9,720,000	36,680,654	253,249,017	8.33%	2,993
2020	78,185,000	19,130,000	589,249	-	-	-	1,546,650	19,531,000	14,817,900	33,090,000	18,253,350	3,775,400	8,665,000	35,785,404	233,368,953	7.19%	2,667

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

See the Table XV Economic and Demographic Information for personal income and population data.

GRT/revenue debt for solid waste, convention center and wastewater was reclassified FY 2007-2008 to respective enterprise funds.

¹ SFPS is Santa Fe Public Schools for land purchase.

² At FY End 2015 the share of Convention Center debt attributable to the Convention Center parking garage was transferred to the Parking Debt Service Fund.

³ This table reflects par value only for the City's outstanding debt exclusive of unamortized premium and discount.

Source: US Census Bureau, City of Santa Fe Finance Department

CITY OF SANTA FE, NEW MEXICO
TABLE XVIII - DEMOGRAPHIC AND ECONOMIC INFORMATION
(UNAUDITED)

Year	Population	Personal Income (<i>thousands of dollars</i>)	Per Capita Personal Income	Unemployment Rate
2011	81,621	2,586,488	31,689	6.20%
2012	82,022	2,669,488	32,546	5.80%
2013	82,339	2,706,565	32,871	5.60%
2014	82,594	2,458,163	29,762	5.50%
2015	82,880	2,491,373	30,060	5.40%
2016	83,287	2,528,677	30,361	5.40%
2017	83,776	2,594,375	30,968	5.60%
2018	83,875	2,649,444	31,588	4.40%
2019	84,612	2,975,635	35,935	4.50%
2020	87,505	3,244,773	37,081	10.60%

Source: US Census Bureau

POPULATION:

YEAR	CITY	COUNTY	STATE
2011	81,621	145,378	2,077,756
2012	82,022	146,157	2,083,784
2013	82,339	146,754	2,085,193
2014	82,594	147,329	2,083,024
2015	82,880	147,708	2,080,328
2016	83,287	148,651	2,081,015
2017	83,776	148,750	2,088,070
2018	83,875	148,758	2,093,000
2019	84,683	150,358	2,096,829
2020	87,505		

Source: US Census Bureau

AGE PROFILE:

AGE	CITY	STATE	UNITED STATES
0-19	23.60%	21.70%	28.50%
20-64	53.80%	53.00%	53.50%
65+	22.60%	25.30%	18.00%
	100.00%	100.00%	100.00%

Source: US Census Bureau 2019

(Continued)

CITY OF SANTA FE, NEW MEXICO
TABLE XVIII - DEMOGRAPHIC AND ECONOMIC INFORMATION (CONTINUED)
(UNAUDITED)

INCOME PROFILE:

HOUSEHOLD INCOME DISTRIBUTION, New Mexico, 2019:

INCOME \$	NUMBER OF HOUSEHOLDS	PERCENT OF HOUSEHOLDS
Under 10,000	12,251	14%
15,000 to 20,000	14,001	16%
20,000 to 30,000	14,001	16%
30,000 to 40,000	11,376	13%
40,000 to 50,000	8,575	10%
50,000 to 60,000	7,875	9%
60,000 to 75,000	6,125	7%
75,000 to 100,000	5,250	6%
100,000 to 150,000	4,550	5%
150,000 to 200,000	1,750	2%
200,000 and more	<u>4,484</u>	<u>2%</u>
Total Households	<u><u>87,505</u></u>	<u><u>100%</u></u>

The table above sets forth Income Profile based on DataUSA.com

The table below sets forth the per-capita income, based on the total gross income divided by population, for Santa Fe County, the State of New Mexico and the United States.

CALENDAR YEAR	SANTA FE COUNTY	STATE OF NEW MEXICO	UNITED STATES
2011	33,000	25,544	29,884
2012	32,100	25,063	29,934
2013	32,900	25,194	30,431
2014	33,000	25,145	30,672
2015	35,400	25,849	31,775
2016	36,316	26,313	32,273
2017	37,818	25,928	33,187
2018	35,935	26,529	33,831
2019	38,520	27,230	34,103
2020	NA	NA	NA

Source: US Census Bureau

CITY OF SANTA FE, NEW MEXICO
TABLE XIX - PROPERTY VALUE, CONSTRUCTION PERMITS, AND UTILITY CONNECTIONS
LAST TEN CALENDAR YEARS
(UNAUDITED)

CONSTRUCTION PERMITS²

CALENDAR YEAR	PROPERTY VALUE¹	ISSUED	VALUE
2011	3,647,208,573	4,161	105,449,986
2012	3,656,120,170	4,751	179,671,299
2013	3,669,453,816	5,068	125,419,309
2014	3,666,700,895	4,688	113,830,876
2015	3,774,855,457	4,771	106,656,654
2016	3,878,365,023	4,955	162,954,112
2017	4,057,690,611	4,904	150,608,250
2018	4,139,262,870	6,337	245,227,939
2019	4,353,433,480	6,801	289,241,144
2020	4,557,718,000	6,419	364,332,813

Utility Connections

CALENDAR YEAR	WATER METERS³	ELECTRIC METERS⁴	GAS METERS⁵
2011	39,642	77,107	52,764
2012	39,856	77,338	52,888
2013	40,106	77,588	53,028
2014	40,260	77,820	53,467
2015	40,542	78,058	53,917
2016	40,833	78,304	54,381
2017	40,898	Unavailable	Unavailable
2018	35,271	Unavailable	Unavailable
2019	35,630	Unavailable	Unavailable
2020	36,167	Unavailable	Unavailable

Source:

¹ Santa Fe County Assessor: Value of property on which taxes are assessed.

² City of Santa Fe Building Inspectors Office, estimated.

³ Sangre De Cristo Water Division

⁴ Public Service Company of New Mexico

⁵ New Mexico Gas Company

**CITY OF SANTA FE, NEW MEXICO
TABLE XX - TEN LARGEST EMPLOYERS
SANTA FE METROPOLITAN AREA
JUNE 30, 2020
(UNAUDITED)**

EMPLOYER	TYPE OF BUSINESS	APPROXIMATE NUMBER OF EMPLOYEES
State of New Mexico	Government	7,300
Christus St. Vincent	Healthcare	2,365
Santa Fe Public Schools	Education	1,800
City of Santa Fe	Government	1,566
Santa Fe Community College	Education	1,200
County of Santa Fe	Government	894
Santa Fe Opera	Fine Arts	715
Albertsons	Retail	650
Peters Corporation	Fine Arts	565
WalMart	Retail	547

Data from New Mexico Department of Labor for 2019, Santa Fe County

CITY OF SANTA FE, NEW MEXICO
TABLE XXI - AUTHORIZED BUDGETED POSITIONS OF CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
General Government	309	311	316	249	249	242	248	272	613	550
Public safety										
Police										
Officers	160	160	201	202	202	196	200	203	177	169
Civilians	42	52	36	29	29	28	30	30	54	59
Fire										
Firefighters and officers	145	153	151	157	157	151	154	178	197	189
Civilians	8	9	10	9	9	10	12	44	14	14
Highways and streets										
Engineering	75	75		56	56	55	59	66	31	29
Maintenance	78	78	51	50	50	53	54	58	36	37
Sanitation	133	133	136	130	130	126	131	137	140	139
Parks and Recreation	572	573	486	486	486	467	474	519	145	151
Water	97	99	148	128	96	83	90	91	75	73
Transit	116	116	123	131	131	115	131	131	125	123
Parking	64	64	62	55	55	53	56	56	48	34
Total	1792	1799	1823	1720	1650	1579	1639	1785	1655	1566

Source: City of Santa Fe Budget Office

CITY OF SANTA FE, NEW MEXICO
TABLE XXII - SCHEDULE OF INSURANCE IN FORCE
JUNE 30, 2020
(UNAUDITED)

Insurance Carrier/Description	Policy #	Term	Coverage Limits	Annual Premium	Deductible	Miscellaneous
I. City of Santa Fe Self Insurance						
A. Worker's Compensation		Jul 01 - Jun 30	\$600,000			Self-Insured
B. Group Health Insurance	3338881		Unlimited	\$21,719,707		
II. Safety National Casualty Company						
Excess Worker's Compensation	SP 4055437	July 1 - June 30	Statutory limit	\$207,671	\$600,000	Self-Insured Retention
III. Travelers Insurance Company.						
Public Entity Package						
A. Liability Package Policy	15N80223	July 1 - June 30	Aggregate \$3 million, \$1,050,000 tort limit	\$1,364,291	\$200,000	Self-Insured Retention
B. Automobile Liability	810-2C410241	July 1 - June 30	Various	\$528,548	\$200,000	
C. Property Damage	H-630-2C41023A	July 1 - June 30	\$403,106,992	\$317,939	\$100,000	
D. Umbrella	15N80235	July 1 - June 30	\$3,000,000	\$115,704	\$10,000	
IV. National Union Fire Insurance Company						
Fiduciary	01-593-43-84	July 1 - June 30	\$2,000,000 Aggregate	\$13,200	\$25,000	Self-Insured Retention
V. Starr indemnity and Liability						
Airport General Liability	1000223840-3	July 1 - June 30	\$20,000,000	\$16,375	\$10,000	
VI. Cigna Health Care Insurance Company						
A. Specific Stop Loss	26001-1	Aug 31 - Aug 31	Medical in excess of \$250,000	\$1,257,681		Stoploss
B. Aggregate Stop Loss			\$2,000,000	\$64,504		
C. Supplemental Life			2x annual salary-Natural death,	\$452,247		
VII. CHUBB - Ace American Insurance Company						
Storage Tank Liability	UST G27064231-007	July 1 - June 30	\$1,000,000/2,000,000 Aggregate	\$11,410	\$10,000	
VIII. Evanston Insurance Company						
SWAMA Pollution Liability	MKLV5ENV101016	July 1 - June 30	\$1,000,000/2,000,000 aggregate	\$43,395	\$25,000	
IX. Ironshore Indemnity						
Fine Arts	HTB-000069-002	July 1 - June 30	\$1,000,000	\$5,590	\$1,000	
X. Indian Harbor Insurance Company						
B. Cyber Liability	MTP9035303-01	July 1 - June 30	\$1,000,000	\$65,382	\$100,000	

**CITY OF SANTA FE, NEW MEXICO
TABLE XXIII - MISCELLANEOUS STATISTICS
(UNAUDITED)**

Form of Government

The City has a mayor/council/city manager form of government with the mayor and eight member council the Council who is elected by district for four-year overlapping terms. The non-partisan elections are held each March of odd numbered years.

The City Charter provides for a City Manager, City Attorney and appointed by the Mayor and approved by responsible for the administration of the merit system and, subject to the authority of the Mayor, supervises the operation of all departments.

Year of incorporation	1891
City area (square miles)	53.0
Fire Protection	
Number of stations (Manned and Unmanned)	10
Total employees (Includes 13 Civilians)	213
Police Protection	
Number of stations	3
Total employees (Includes 58 Civilians)	228
Parks	
Acreage (developed, not open space or trails)	923
Number of parks	73
Community centers and recreational buildings	6
Swimming pools	4
Tennis courts	15
Pickleball Courts	8
Libraries	
Holdings	224,548 items
Circulation	716,396 per year
Municipal Sewer	
Number of sewer accounts	38,009
Miles of sanitary lines	372

Notes:

Data as of June 30, 2020

OTHER SUPPLEMENTARY INFORMATION

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
(MARKET VALUE)
JUNE 30, 2020**

	<u>Bank Balance</u>	<u>Total Unsecured Public Funds</u>	<u>Pledge Securities Market Value</u>	<u>Maturity Date</u>
WELLS FARGO BANK				
<u>Noninterest Bearing Accounts</u>				
General Liability Checking	\$ -			
Workers' Compensation Checking	-			
Common Checking	11,689,343			
Credit Card	-			
Payroll	-			
Total Checking Requiring Collateral	<u>11,689,343</u>			
Federal Depository Insurance - \$250,000 on NIB*	<u>(250,000)</u>			
 Total Unsecured Public Funds (Checking)		 \$ 11,439,343		
 <u>Collateral Held by Bank of New York Mellon</u>				
3132XSWL0 FMAC FGPC 4.000% 09/01/47			\$ 2,704,274	07/01/49
3140FE2L7 FNMA FNMS 3.500% 03/01/47			<u>12,414,467</u>	11/01/49
Total Pledged Collateral			<u>15,118,741</u>	
Difference Between Pledged Collateral and Unsecured Funds			3,679,398	
 50% Pledged Collateral Requirement			5,719,672	
Total Pledged Collateral			<u>15,118,741</u>	
Pledged Collateral (Over) Under 50% Requirement			<u>\$ (9,399,070)</u>	

The collateral requirements are based on the City of Santa Fe Investment Policy revised December 5, 2016.

CITY OF SANTA FE, NEW MEXICO
AGENCY FUNDS DESCRIPTION
JUNE 30, 2020

Santa Fe Solid Waste Management Agency – To account for funds held by the City as a fiscal agent for Santa Fe Solid Waste Management Agency.

Buckman Direct Diversion Agency – To account for funds held by the City as fiscal agent for the Buckman Direct Diversion agency, which performs operational activities pursuant to mandates with the National Environmental Policy Act, Environmental Impact Statements, and the Endangered Species Act.

Sick Leave Bank – To account for funds held by the City as a fiscal agent for the benefit of union employees. Employees can donate unused sick time to the bank for use by other employees as necessary.

CITY OF SANTA FE, NEW MEXICO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
SANTA FE SOLID WASTE MANAGEMENT AGENCY				
Assets:				
Cash	<u>\$ 19,070,639</u>	<u>\$ 13,616,078</u>	<u>\$(17,592,483)</u>	<u>\$ 15,094,234</u>
Liabilities:				
Deposits Held for Others	<u>\$ 19,070,639</u>	<u>\$ 13,616,078</u>	<u>\$(17,592,483)</u>	<u>\$ 15,094,234</u>
BUCKMAN DIRECT DIVERSION AGENCY				
Assets:				
Cash	\$ 4,737,504	\$ 9,460,640	\$(13,300,062)	\$ 898,082
Receivable - Buckman Direct Diversion Cash Overdraft	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities:				
Deposits Held for Others	\$ 4,737,504	\$ 9,460,640	\$(13,300,062)	\$ 898,082
Cash Overdraft - Buckman Direct Diversion	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SICK LEAVE BANK				
Assets:				
Cash	<u>\$ 562,969</u>	<u>\$ 257,420</u>	<u>\$ (98,256)</u>	<u>\$ 722,133</u>
Liabilities:				
Deposits Held for Others	<u>\$ 562,969</u>	<u>\$ 257,420</u>	<u>\$ (98,256)</u>	<u>\$ 722,133</u>
COMBINED AGENCY FUNDS				
Assets:				
Total Cash	<u>\$ 24,371,112</u>	<u>\$ 23,334,138</u>	<u>\$(30,990,801)</u>	<u>\$ 16,714,449</u>
Liabilities:				
Total Deposits Held for Others	<u>\$ 24,371,112</u>	<u>\$ 23,334,138</u>	<u>\$(30,990,801)</u>	<u>\$ 16,714,449</u>

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF JOINT POWER AGREEMENTS
YEAR ENDED JUNE 30, 2020**

Participants	Responsible Party	Description	Dates of Agreement	Total Amount/ City Share	FYE 6/30/2020 Amount	Reporting Party	Audit Responsibility
Joint Agreement with County of Santa Fe							
City of Santa Fe and County of Santa Fe	Both, BDD Board	To operate and Manage the Buckman Direct Diversion Water Project	Date of Approval by DFA to Termination by Either Party's Governing Body	50%	\$ 4,001,995	BDD Board	
Joint Agreement with Other Participants							
City of Santa Fe and New Mexico Taxation and Revenue Department		City to Issue CRS Numbers Necessary for the Purpose of Registering a Business in New Mexico	7/1/2016 to 6/30/2026				

SINGLE AUDIT SECTION

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Amount Passed Through to Subrecipients
U.S. Department of Agriculture:				
Watershed Restoration and Enhancement	10.693		\$ 91,001	\$ -
Total U.S. Department of Agriculture			<u>91,001</u>	<u>-</u>
Department of Housing and Urban Development				
Direct Programs:				
CDBG-Entitlement Grants Cluster:				
Community Development Block Grant	14.218		782,038	721,314
Total CDBG-Entitlement Grants Cluster			<u>782,038</u>	<u>721,314</u>
Total Department of Housing and Urban Development			782,038	721,314
U.S. Department of Justice:				
Department of Justice Direct Programs:				
Comprehensive Opioid Abuse Site-Based Program	16.838		86,263	-
Total Department of Justice Direct Program			<u>86,263</u>	<u>-</u>
Total U.S. Department of Justice			86,263	-
U.S. Department of Transportation:				
Federal Aviation Administration Direct Program:				
Airport Improvement Grant #47	20.106		16,318	-
Airport Improvement Grant #48	20.106		9,529	-
SAF Taxiway D Phase 11 -FAA	20.106		218,965	-
Reimbursement for Snow Plow	20.106		658,010	-
Total Airport Improvement Grants			<u>902,822</u>	<u>-</u>
Total Federal Aviation Administration Direct Program			902,822	-
New Mexico Highway and Transportation Department				
Federal Transit Formula Grants				
Federal Transit Cluster				
Ridefinders 16/17	20.507	M01223 FY2018	71,773	-
Section 5307 - Main Operating	20.507	N.M.D.O.T. 5307	1,711,152	-
Total Federal Transit Cluster			<u>1,782,925</u>	<u>-</u>
Total Federal Transit Formula Grants			<u>1,782,925</u>	<u>-</u>
Total Department of Transportation Passed-Through			<u>1,782,925</u>	<u>-</u>
Total Department of Transportation			2,685,747	-

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Amount Passed Through to Subrecipients
U.S. Department of Health and Human Services:				
Passed-Through NM State Agency on Aging/NCNMEDD:				
Title III-B	93.044	2017-18-60026	\$ 80,296	\$ -
Total NM State Agency on Aging/NCNMEDD			<u>80,296</u>	<u>-</u>
NM State Agency on Aging/NCNMEDD:				
Title III-C-2	93.045	2017-18-60026	119,859	-
Total NM State Agency on Aging/NCNMEDD			<u>119,859</u>	<u>-</u>
NM State Agency on Aging/NCNMEDD:				
NSIP	93.053	2017-18-60026	111,913	-
Total NM State Agency on Aging/NCNMEDD			<u>111,913</u>	<u>-</u>
Total Aging Cluster			<u>312,068</u>	<u>-</u>
NM State Agency on Aging/NCNMEDD:				
Title III-E	93.052		60,872	-
Total NM State Agency on Aging/NCNMEDD			<u>60,872</u>	<u>-</u>
Total U.S. Department of Health and Human Services			372,940	-
Corporation for National and Community Service:				
Passed-Through NM State Agency on Aging/NCNMEDD:				
Foster Grandparent/Senior Companion Cluster Program	94.011	18-624-4000-0024	26,532	-
Total Foster Grandparent/Senior Companion Cluster Program			<u>26,532</u>	<u>-</u>
Retired Senior Volunteer Program	94.002	18-624-4000-0024	40,000	-
Total Retired Senior Volunteer Program			<u>40,000</u>	<u>-</u>
Total Passed-Through NM State Agency on Aging			<u>66,532</u>	<u>-</u>
Total Corporation for National and Community Service			66,532	-
U.S. Department of Homeland Security:				
Homeland Security Grant Program	97.067	EMW-2016-SS-00105	26,666	-
Total Homeland Security Grant Program			<u>26,666</u>	<u>-</u>
Total U.S. Department of Homeland Security			26,666	-
Total Expenditures of Federal Awards			<u>\$ 4,111,187</u>	<u>\$ 721,314</u>

CITY OF SANTA FE, NEW MEXICO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

General

The following is a reconciliation of the total Federal Awards of the City of Santa Fe for the year ended June 30, 2020:

Governmental Funds - Federal Revenue	\$ 1,445,853
Enterprise Funds - Federal Revenue	902,823
Governmental Funds - Deferred Inflows of Resources	1,938,443
Governmental Funds - Other Reconciling Items	(56,085)
Enterprise Funds - Other Reconciling Items	(55,328)
	<u>\$ 4,175,706</u>

Basis of Accounting

The accompanying Supplemental Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's Annual Financial Report.

The City did not expend federal awards related to loans or loan guarantees during the year.

The City did not elect to use the allowed 10% indirect cost rate.

The City has no federally funded insurance.



**INDEPENDENT AUDITORS' 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***

Mr. Brian Colón, Esq., New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the general fund and major special revenue fund of the City of Santa Fe, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Santa Fe's basic financial statements, and have issued our report thereon dated September 21, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Santa Fe'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 the City of Santa Fe's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Santa Fe's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001 through 2020-006 and 2020-011 to be material weaknesses.

Mr. Brian Colón, Esq., New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-007 through 2020-010, 2020-012 and 2020-013 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Santa Fe'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2020-019 through 2020-021.

City of Santa Fe's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
September 21, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Mr. Brian Colón, Esq., New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe
Santa Fe, New Mexico

Report on Compliance for Each Major Federal Program

We have audited City of Santa Fe's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Santa Fe's major federal programs for the year ended June 30, 2020. City of Santa Fe's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Santa Fe's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Santa Fe's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the City of Santa Fe's compliance.

Mr. Brian Colón, Esq., New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe

Basis for Qualified Opinion on CDBG – Entitlement Grants Cluster (CFDA 14.CDBG)

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the CDBG – Entitlement Grants Cluster (CFDA 14.CDBG) as described in finding numbers 2020-018 for Program Income. Compliance with such requirement is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Qualified Opinion on CDBG – Entitlement Grants Cluster (CFDA 14.CDBG)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the CDBG – Entitlement Grants Cluster (CFDA 14.CDBG) for the year ended June 30, 2020.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-014, 2020-015, 2020,016 and 2020-017. Our opinion on each major federal program is not modified with respect to these matters.

The City of Santa Fe’s responses to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and quested costs. The City of Santa Fe’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the City of Santa Fe is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Santa Fe’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Santa Fe’s internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

Mr. Brian Colón, Esq., New Mexico State Auditor
The Office of Management and Budget
The Mayor and Members of City Council
City of Santa Fe

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2020-018 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2020-014, 2020-015, 2020-016 and 2020-017 to be significant deficiencies.

The City of Santa Fe's responses to the internal control over the compliance finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The City of Santa Fe's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
September 21, 2021

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? x yes none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? x yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: Qualified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
14.218	CDBG – Entitlement Grants Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes x no

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

Section II – Financial Statement Findings

2020-001 (Previously 2019-007) Errors in Preparing the Schedule of Expenditures of Federal Awards (Material Weakness in Internal Control over Financial Reporting)

Condition: During our review of the City's schedule of expenditures of federal awards (SEFA), we noted numerous instances in which the federal expenditures reported did not have the correct Assistance Listing Number nor stated at the correct amounts. Seven versions of the SEFA were provided to us during the course of the audit. The initial SEFA provided to us reported total Federal expenditures of \$6,923,959. The last SEFA provided to us reported total Federal expenditures of approximately \$4,111,187.

Management's Progress on Repeat Findings: The City's June 30, 2019 audit was not received until the beginning of fiscal year 2021. Therefore, the City could not implement corrective actions during fiscal year 2020 to resolve this finding. However, the City fully expects to have this finding resolved by February 1, 2022.

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure the adequacy of financial reporting, account balances should be reviewed and reconciled on a regular basis, including amounts expended and reimbursed for federal awards.

Cause: The City lacks effective controls over the preparation of the SEFA. Specifically, for the fiscal year end 6/30/2020, we noted the City did not set up its newly implemented financial system (MUNIS) to identify Federal expenditures in the financial records.

Effect: The City is not able to produce an accurate schedule of amounts expended from federal awards.

Recommendation: We recommend the City utilize its newly implemented accounting system (MUNIS) to track and report federal expenditures. The setup of this tracking in MUNIS should be a joint effort between the program managers and the finance department. In addition the City should designate a grants manager to oversee all program staff and ensure proper tracking of grant expenditures in the MUNIS system.

Management's Response: The City agrees with this finding. During fiscal year 2020 the City underwent an extensive accounting software conversion going from the JD Edwards system (which had been utilized by the City since 1999) to the new MUNIS system. Also, due to the impact of the pandemic and the Finance Department being severely understaffed, the preparation of the SEFA became extremely difficult. To re-establish timely and accurate SEFA preparation in subsequent years, the City will continue training of identified City personnel. Staff has started the process to review and analyze the MUNIS system to ensure expenditures and drawdowns are identified by individual grant.

Person Responsible, including position title: Mary McCoy, Finance Director, Accounting Officer (in-process of hiring) and Grants Manager (in-process of hiring)

Estimated Completion Date: February 1, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-002 (Previously 2018-001, 2019-001) Internal Controls over Financial Close and Reporting (Material Weakness in Internal Control over Financial Reporting)

Condition: The City lacks an effective internal control structure over the financial close and reporting process to allow for timely and accurate financial reporting. Specifically, the City is not adhering to a monthly or quarterly accounting close schedule.

Management's Progress on Repeat Findings: The City's June 30, 2019 audit was not received until the beginning of fiscal year 2021. Therefore, the City could not implement corrective actions during fiscal year 2020 to resolve this finding. However, the City fully expects to have this finding resolved by February 1, 2022.

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure the adequacy of financial reporting, account balances should be reviewed and reconciled on a regular basis, including amounts expended and reimbursed for federal awards.

Cause: Lack of adequate processes and procedures in place to properly review and reconcile account balances. In addition, lack of staffing and virtual working due to the COVID-19 pandemic.

Effect: Without reconciliations occurring throughout the year, stakeholders are not able to obtain an accurate understanding of the financial position of the City prior to the issuance of the audited year-end financial statements. Interim financial statements may lack accuracy if periodic reconciliations are not performed and the necessary adjustments made.

Recommendation: We recommend that City management develop, approve, and hold individuals accountable to a schedule of accounting closes on a monthly basis. This will likely need to include non-accounting personnel, such as department directors. We also recommend that in addition to the City Accounting Officer, the Director of Finance and the City Manager, if necessary, participate in the implementation of the accounting close schedule. Additionally, the City needs to ensure that relevant staff, including accounting and department staff, fully understand the financial reporting process.

Management Response: The City agrees with this finding. During fiscal year 2020 the City underwent an extensive accounting software conversion going from the JD Edwards system (which had been utilized by the City since 1999) to the new MUNIS system and the Finance Department was severely understaffed in the last quarter of the fiscal year due to the pandemic which impacted the City's ability to adhere to a timely close schedule. With additional staff, the City will be able to adhere to a month-end close checklists and procedures. This will help the Finance Department improve results from accurate financial reporting, and makes the City's Finance Department audit-ready earlier thereby reducing the risk of a late audit. The City will provide training to both Finance Department and other City Department personnel in completing the month-end close checklist. In addition, to monitor compliance over the timely and accurate completion of the month-end close checklists and procedures, internal audits will be conducted in this area during random intervals in the next fiscal year.

Person Responsible, including position title: Mary McCoy, Finance Director and Accounting Officer (in-process of hiring)

Estimated Completion Date: February 1, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-003 (Previously 2019-003) Billing/Recognition of Federal Revenue (Material Weakness in Internal Control over Financial Reporting)

Condition: The City did not claim reimbursements for incurred federal expenditures within the City's availability period (60 days.) As of December 31, 2020, a period of 6 months after year-end, the following amounts owed to the City from the Federal Government were still outstanding. As such, an entry was posted to the City's financial records to reduce federal revenue and the outstanding receivable balances and record deferred inflow of resources for the difference, as applicable.

Additionally, through our confirmation procedures with a third party, we noted a grant of \$191,229 that was previously awarded to the City and has not been utilized.

Management's Progress on Repeat Findings: The City's June 30, 2019 audit was not received until the beginning of fiscal year 2021. Therefore, the City could not implement corrective actions during fiscal year 2020 to resolve this finding. However, the City fully expects to have this finding resolved by February 1, 2022.

CFDA	City Program	Amount
10.693	Watershed Restoration and Enhancement	\$91,001
20.507	Federal Transit Formula Grants	\$1,847,442
	Total	\$1,938,443

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure the adequacy of financial reporting, account balances should be reviewed and reconciled on a regular basis, including amounts expended and reimbursed for federal awards.

Per GASB 65, in regards to recording the revenue as a deferred inflow of resources, if a government has claimed reimbursement for incurred expenditures that are not filed within the government's availability period, the government should report an amount for unavailable revenue in the deferred inflows of revenues section of the governmental fund's balance sheet.

Cause: The City does not have an effective grant activity reconciliation process in place to identify when reimbursements should be requested.

Effect: The City is expending resources that should result in cash inflows from federal granting agencies. When reimbursements are not requested timely, it results in cash balances lower than what they would be had the request for reimbursement been made. Also, the City could potentially lose the rights to the reimbursements.

Recommendation: We recommend the City designate one or more individuals to be responsible for reconciling grant activity, by program and program year, to ensure that expenditures incurred for activities subject to a federal cost reimbursement agreement are reimbursed to the City in a timely manner.

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

**2020-003 (Previously 2019-003) Billing/Recognition of Federal Revenue (Material Weakness
in Internal Control over Financial Reporting) (Continued)**

Management Response: The City agrees with this finding. During fiscal year 2020 the City underwent an extensive accounting software conversion going from the JD Edwards system (which had been utilized by the City since 1999) to the new MUNIS system and the Finance Department was severely understaffed in the last quarter of the fiscal year due to the pandemic which impacted the City's ability to adhere to a timely close schedule. With additional staff, the City will be able to adhere to a month-end close checklists and procedures, which will include grant accounting/reporting/ drawdown processes.

Person Responsible, including position title: Mary McCoy, Finance Director, Accounting Officer (in-process of hiring) and Grants Manager (in-process of hiring)

Estimated Completion Date: February 1, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-004 Controls over Journal Entries (Material Weakness in Internal Control over Financial Reporting)

Condition: During our audit, we noted the following issues related to journal entries entered by the City:

- During FY 2020, The City was actively operating in both the E-1 system and the MUNIS system, and entries were calculated monthly to migrate E-1 transactions to the MUNIS system, the book of record.
- 3 journal entries were reviewed where the City did not retain support for the Journal entry in the MUNIS system. Upon the move to the MUNIS system, all support for Journal Entries should be saved in the system.
- For one journal entry tested, the support did not agree with the journal entry that was posted to the General Ledger related to the payroll accruals. This entry was subsequently used as the basis for allocations of payroll liabilities, resulting in variances in the payroll liabilities at the fund level.
- The MUNIS system has an internal balancing account related to the pooled cash accounts that will balance the entries at the fund level, however the use of this feature could result in errors if an entry is not accurately entered into the system. The City posted numerous entries that adjusted claims on the pooled cash without an offsetting actual cash transaction in the pooled cash fund. These entries were not identified through the journal entry review process, prior to posting to the general ledger.

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure the adequacy of financial reporting, account balances should be reviewed and reconciled on a regular basis, including amounts expended and reimbursed for federal awards.

Cause: Lack of adequate processes and resources in place to properly review journal entries prior to posting to the general ledger. In addition, lack of staffing and virtual working due to the COVID-19 pandemic.

Effect: The use of two separate ERP systems creates a risk that activity that occurred during the year will not be reported in the annual financial reports. Lack of proper journal entry review prior to posting could result in significant misstatements of the City's financial records.

Recommendation: We recommend the City work to ensure that individuals properly understand the results of journal entries prior to posting entries to the general ledger. We also recommend the City work to ensure the individuals charged with reviewing the entries prior to posting have the necessary knowledge and experience to review that the entries are complete and accurate.

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-004 Controls over Journal Entries (Material Weakness in Internal Control over Financial Reporting)

Management Response: The City agrees with this finding. During fiscal 2020 the City underwent an extensive accounting software conversion going from the JD Edwards system (which had been utilized by the City since 1999) to the new MUNIS system. Since the Tyler Munis Human Capital Management system was implemented 10 months after the Tyler Munis Financial system it became necessary to process payroll under the E-1 system and journal entry the payroll activity into MUNIS Financial system. This process will not be continued into subsequent fiscal years as the City is now using the Tyler Munis Human Capital Management System.

The Finance Department activated the auto-interfund balancing function in MUNIS which provides a warning to the accountant inputting the entry if it is out-of-balance. As per the City's Budget and Financial Management Manual, Adjusting Journal Entries Section, after the preparation of the adjusting journal entry (AJE), the Accounting Officer must review both the AJE and the related supporting documentation prior to authorization by signature for computer input and before posting to the general ledger. Also, the City's Budget and Financial Management Manual, Adjusting Journal Entries Section, dictates that the Preparer is instructed to ensure that the AJE's debits and credits are in balance within each fund, as well as for the overall total debits and credits with the form. The City will continue to provide training on the proper preparation, review and posting of adjusting journal entries. In addition, to monitor compliance over adjusting journal entries, internal audits will be conducted in this area during random intervals in the next fiscal year.

Person Responsible, including position title: Mary McCoy, Finance Director and Accounting Officer (in-process of hiring)

Estimated Completion Date: Immediately

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-005 (Previously 2019-004, 2019-006) Controls over Capital Assets and CIP (Material Weakness in Internal Control over Financial Reporting)

Condition: During our testing over capital assets, we noted the following information

- The City provided multiple detail schedules for the capital assets during the audit.
- The City's Construction in Process schedules were revised multiple times and initially not tied to a listing of projects.
- The City transferred all the capital outlay costs from governmental funds into a separate non-reporting tracking fund. This transfer had to be reversed during the audit.
- The City has expense accounts that record expenditures that need to be capitalized separate from purchases that do not meet the threshold of capital purchases. There were numerous adjustments required to capture the capital asset additions in the correct accounts.
- During our testing of the annual inventory certifications, we noted 11 out of 20 assets selected for testing were not included in the certifications completed by the City.

Management's Progress on Repeat Findings: The City's June 30, 2019 audit was not received until the beginning of fiscal year 2021. Therefore, the City could not implement corrective actions during fiscal year 2020 to resolve this finding. However, the City fully expects to have this finding resolved by February 1, 2022.

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure the adequacy of financial reporting, account balances should be reviewed and reconciled on a regular basis, including amounts expended and reimbursed for federal awards.

Cause: Lack of reconciliation procedures over capital assets and improper review of capital outlay activity. In addition, lack of staffing and virtual working due to the COVID-19 pandemic.

Effect: The capital asset balances could be misstated.

Recommendation: We recommend the City establish procedures to ensure that the capital assets are correctly recorded and that all capital asset purchases are correctly recorded in the MUNIS system.

Management Response: The City agrees with this finding, due to the impacts of the pandemic, and severely understaffed Finance Department significant challenges were encountered in preparing the detailed schedules for capital assets and construction in progress. Finance Department staff will start the preparation and associated review of the detailed capital asset and construction in progress schedules well ahead of the start of the subsequent year audit. The City will continue to provide training to staff. Policies and procedures will be developed and implemented requiring timely reconciliation. Finally, to monitor compliance over the reconciliations, internal audits will be conducted in this area during random intervals.

Person Responsible, including position title: Accounting Officer (in-process of hiring), Accounting Manager (in-process of hiring) and Lisa M. Storey, Accounting Financial Analyst

Estimated Completion Date: February 1, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-006 Controls over the Accrued Liabilities (Material Weakness in Internal Control over Financial Reporting)

Condition: During our testing over accrued liabilities, we noted the City had an outstanding Accrued liability balance of about \$8.5 million dollars. The City has reconciled this activity to be inclusive of the final pay period of June 2020 and payables to PERA and NM RHCA, for previous pay periods that had not been remitted to those entities.

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure the adequacy of financial reporting, account balance should be reviewed and reconciled on a regular basis.

Cause: Lack of review over the accrued liability balances including review to ensure that any payments are properly applied against the correct outstanding liability.

Effect: The City could have a misstatement for liabilities that have already been paid or have failed to make a payment on the liabilities.

Recommendation: We recommend the City establish procedures to ensure that all payments made on the liabilities.

Management Response: The City agrees with this finding and will develop and implement policies and procedures to require that all accrued liability accounts be reconciled to the general ledger on a monthly basis. This reconciliation process will include the appropriate level of review(s). In addition, to monitor compliance over the accrued liability cycle including monthly general ledger reconciliations, internal audits will be conducted in this area during random intervals in the next fiscal year.

Person Responsible, including position title: Accounting Officer (in-process of hiring) and Melanie Sharpe, Payroll Manager

Estimated Completion Date: Immediately

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-007 (Previously 2019-008) Controls over Allocation of Investment Income (Pooled Cash) (Significant Deficiency in Internal Control over Financial Reporting)

Condition: During a review of the procedures over pooled cash, we noted the investment income earned by the pooled cash accounts was not allocated to the funds based on the City policy. We also noted the following items:

- The City is not actively reconciling the Pooled Cash Assets to the claims on the accounts by the various funds of the City and the other entities participating in the pool.
- The entries to record the income to the funds and other entities participating in the pool needed adjustments to accurately capture expenses of the pool and reverse the income activity that was accrued in the prior year.

Management's Progress on Repeat Findings: The City's June 30, 2019 was not received until the beginning of fiscal year 2021. Therefore, the City could not implement corrective actions during fiscal year 2020 to resolve this finding. However, the City fully expects to have this finding resolved by February 1, 2022.

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure the adequacy of financial reporting, account balance should be reviewed and reconciled on a regular basis.

Cause: Lack of adequate processes and procedures in place to properly review and reconcile account balances.

Effect: The City could have a misstatement in the accounts

Recommendation: We recommend the City implement more effective processes and procedures, including review and approval by an individual with an understanding of the City's policies and procedures, in order to avoid misstatements in the future.

Management Response: The City agrees with this finding and will implement the steps below to ensure that investment income is allocated in accordance with City policy in subsequent fiscal years. Policies and procedures will be reviewed and modified to ensure that investment income allocation is accurately and timely recorded in the future. In addition, these policies and procedures will be modified to ensure alignment with the City's newly implemented MUNIS accounting system. The City will utilize the MUNIS Cash Management module to automate the allocation of investment income across the City's numerous funds. The automation of this process will enhance the City's ability to allocate investment income in an accurate and expedited manner.

Person Responsible, including position title: Accounting Officer (in-process of hiring) and Bradley Fluetsch, Financial Planning and Investment Officer

Estimated Completion Date: February 1, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-008 Controls over Cash Balances (Significant Deficiency in Internal Control over Financial Reporting)

Condition: During our testing over other cash balances held by the City, we noted the following.

- For one cash account, the City performed a cash reconciliation that did not agree to the ending balance of the account on the trial balance.
- For one cash account, the City reduced the cash balances for outstanding checks that were subsequently voided.
- For another cash account, the City has recorded a cash balance that was not changed from 2019 to 2020, however the account was not included in any of the cash and investment listings provided by the City, and a reconciliation of the balance was not performed.

Criteria: Proper cash procedures include a reconciliation process that will reconcile the differences between the bank balance of the account and the account balance on the trial balance by reviewing the deposits in transit and outstanding checks.

Cause: Lack of adequate cash reconciliation processes at the City. In addition, lack of staffing and virtual working due to the COVID-19 pandemic.

Effect: The City could have a misstated cash balance that is undetected by the internal controls.

Recommendation: We recommend the City establish a process for completing cash reconciliations timely and ensure that all cash accounts are covered by a cash reconciliation.

Management Response: The City agrees with this finding. The City will incorporate a step requiring that the reviewer of the bank reconciliation ensure that all identified differences be corrected through adjusting journal entry within the aforementioned month-end close checklist. In addition, this account was closed out in fiscal year 2020. As per the City's Budget and Financial Management Manual, Bank Reconciliation Section, during the review of the bank reconciliation the Accountant is to identify and report checks outstanding over sixty days. The City will incorporate this procedure within the aforementioned month-end close checklist so that stale dated checks are voided and cash reinstated in the general ledger is done on a timely basis. The City will continue to provide training for staff on the proper voided and identification of stale dated checks. Although the cash balance did not change between fiscal years 2019 and 2020 due to no activity within the associated program, the City will incorporate a step for the identification and listing of all bank accounts within the aforementioned month-end close checklist so that all bank accounts have a reconciliation performed.

Person Responsible, including position title: Accounting Officer (in-process of hiring) and Amy Aguilar, Accounting Financial Analyst

Estimated Completion Date: February 1, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-009 Controls over Interfund Activity (Significant Deficiency in Internal Control over Financial Reporting)

Condition: During our testing of interfund transactions, we noted the following:

- Interfund payable and receivables and capital asset transfers in and out were not balanced across the funds of the City.
- Interfund receivables and payables from the end of fiscal year 2019 were not liquidated during the year.

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure the adequacy of financial reporting, account balance should be reviewed and reconciled on a regular basis.

Cause: Lack of proper review over entries recording interfund transactions.

Effect: The City could post interfund transactions that cause a net effect on the net position or fund balance incorrectly.

Recommendation: We recommend the City train staff on interfund transactions and establish a review process over these transactions to ensure that the transactions are correctly recorded in the trial balance.

Management Response: The City agrees with the finding. To clarify, the Main Operating Transfer In and Operating Transfer Out accounts for a total of 120 accounts were in balance at year end and required no audit adjustments. These accounts have to be in balance or DFA will not approve the City budget on an annual or quarterly basis. The City agrees with the findings as it relates to a total of 2 accounts – the Interfund Transfers In (Acct. #600150) and Interfund Transfers Out (Acct. #70400). The City will develop and implement policies and procedures requiring operating transfers in and operating transfers out be balanced on a monthly basis. The City will also incorporate this procedure within the month-end close checklist as well. The use of 2 account codes (Transfers Fixed Assets In (Account #600400) and Transfers of Fixed Assets Out (Acct. #700400) will be discontinued in subsequent fiscal years (please see the City’s response in the Capital Asset Finding). The City agrees with the finding as it relates to the unliquidated 2019 interfund receivables and interfund payables. Policies and procedures will be developed and implemented requiring on an annual basis the Finance Department review each interfund receivable and interfund payable.

Person Responsible, including position title: Accounting Officer (in-process of hiring), and Clayton Pelletier, Controller

Estimated Completion Date: February 1, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-010 (Previously 2019-009) Controls over Debt Accounting (Significant Deficiency in Internal Control over Financial Reporting)

Condition: During our testing over debt of the City, we noted the following:

- The City recorded duplicate payments on one bond series that was not identified during the bond reconciliations performed by the City.
- The City did not properly account for current year activity related to premiums and the unrealized gains/losses on refunding for outstanding bond series.

Management's Progress on Repeat Findings: The City's June 30, 2019 audit was not received until the beginning of fiscal year 2021. Therefore, the City could not implement corrective actions during fiscal year 2020 to resolve this finding. However, the City fully expects to have this finding resolved by February 1, 2022.

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure the adequacy of financial reporting, account balance should be reviewed and reconciled on a regular basis.

Cause: The City has not established effective reconciliation procedures and proper supervised review of debt accounting.

Effect: Adjustments were required to accurately report debt payment activity across the City's funds.

Recommendation: We recommend the City identify an individual who has the necessary experience and expertise related to debt accounting, and subject debt activity to periodic reconciliations with a review to be performed by this knowledgeable individual.

Management Response: The City has acquired Emphasis Debt Management Software where approximately 90 percent of the City's entire outstanding debt portfolio is already uploaded. Staff looked into integration with the current version of MUNIS, which is not possible, but will be able to integrate with the new version of MUNIS. Staff will complete the upload of outstanding City debt, have it reviewed by the accounting firm assisting with the fiscal year 2021 audit, and use it as the base for accounting for bond premium amortization and all other bond related journal entries and the basis to reconcile the general ledger for future fiscal years. The Excel spreadsheet that is used to track bond premium will be retired in FY22.

Person Responsible, including position title: Accounting Officer (in-process of hiring) and Bradley Fluetsch, Financial Planning and Investment Officer

Estimated Completion Date: February 1, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-011 Controls over Accounts Payable (Material Weakness in Internal Control over Financial Reporting)

Condition: During our testing over accounts payable, we noted the following:

- The City did not reconcile accounts payable at a fund level. The City provided a reconciliation of activity at the City-wide level, however, the schedule did not agree to the trial balance for most funds due to how the items were recorded.
- The reconciliation provided by the City uses invoice dates to identify what should be included in the accrual, which excludes any invoices that are invoiced after the year-end that are related to the fiscal year.
- There is lack of a process to ensure that the correct information is input from the invoices for the Accounts Payable activity for the year.
- The City did not have a payable recorded for amounts owed to the Santa Fe Solid Waste Management Agency (SWMA).

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure the adequacy of financial reporting, account balance should be reviewed and reconciled on a regular basis.

Cause: Lack of an effective control process over invoice process to ensure the information was correctly entered into the system. In addition, lack of staffing and virtual working due to the COVID-19 pandemic.

Effect: There could be a misstatement in accounts payable accounts of the City.

Recommendation: We recommend the City to implement a more effective internal review process and procedures, including a review of the data input captured in MUNIS.

Management Response: The City agrees with this finding, due to the impacts of the pandemic, and a severely understaffed Finance Department significant challenges were encountered in preparing the detailed schedules for accounts payable. For the next fiscal year, the Finance Department will start the preparation and associated review of the detailed accounts payable well ahead of the start of the subsequent year audit. In addition, the City will continue to provide training for Finance Department personnel, in the proper recording of accounts payable at the individual fund level, which should eliminate this finding next year.

Person Responsible, including position title: Accounting Officer (in-process of hiring) and Nick Chavez, Accounts Payable Supervisor.

Estimated Completion Date: February 1, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-012 Controls over Compensated Absences (Significant Deficiency in Internal Control over Financial Reporting)

Condition: During our testing over compensated absences, we noted the following:

- Due to limitations in the E1 system, the City was previously not applying compensated absences policies related to annual leave rolled into the next year. During the switch to MUNIS, the limitations have been applied and the City also adjusted the calculation of the compensated absences at year-end following these limitations.
- In the calculations for the year-end liability, the City did not properly apply the different limitations based on employee types for numerous employees.
- During our review of the payment of accrued benefits after the end of employment, we noted one employee was paid for the full amount of annual leave, when the amounts should have been limited based on the City policy. This resulted in an overpayment to the employee.

Criteria: The City policies establish the different limits for employees based on their type of employment such as FLSA-exempt, FLSA non-exempt, union employees, police employees, etc.

Cause: The limitations of the E-1 system did not allow for automated tracking of the liabilities for these balances and the City did not establish an effective procedure to ensure that payouts were made in accordance with the approved policy.

Effect: The City is out of compliance with its compensated absences policies

Recommendation: We recommend the City establish procedures to ensure the compensated absences liabilities are calculated in accordance with the City's approved policy. We also recommend the City establish a review of the payouts upon termination of employment to ensure the payout is made in accordance with the City policy.

Management Response: The City agrees with the finding. The limitations have been applied in the new MUNIS Human Capital Management system and the MUNIS system will calculate the accruing rates in alignment with City Policy. The City will develop and implement policies and procedures to require that the compensated absences liability accounts be reconciled and to include the appropriate level of review(s). In addition, to monitor compliance, internal audits will be conducted in this area during random intervals in the next fiscal year.

Person Responsible, including position title: Melanie Sharpe, Payroll Manager and Melissa Garcia, Payroll Supervisor

Estimated Completion Date: February 1, 2022

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

Section II – Financial Statement Findings (Continued)

2020-013 (Previously 2018-003, 2019-010) Information Technology Controls (Significant Deficiency in Internal Control over Financial Reporting)

Condition: The City uses the Windows/Active Directory as the gateway to its resources and does not have adequate password complexity requirements.

Management's Progress on Repeat Findings: The City's June 30, 2019 audit was not received until the beginning of fiscal year 2021. Therefore, the City could not implement corrective actions during fiscal year 2020 to resolve this finding. However, the City fully expects to have this finding resolved by February 1, 2022.

Criteria: ISACA's Control Objectives for Information and related Technology (COBIT) 4.1, Framework DS5 (Ensure System Security) provides that the need to maintain integrity of information and protect IT assets requires a security management process. This process includes establishing and maintaining vendor relationship and vendor management. Additionally, the City needs to maintain integrity of information and protect IT assets through the utilization of complexity in its password requirements for user access.

Cause: Lack of oversight and development of password complexity requirements.

Effect: Lack of oversight and development of password complexity requirements.

Recommendation: We recommend that the Windows/Active Directory Group policy enforce password requirements that are 12-15 minimum characters, are complexity enabled, include one minimum day age requirement and track password history for the previous 12 user-created passwords.

Management Response: The following is Microsoft's, The National Institute of Standards and Technology (NIST) and Homeland Security recommendations for password length and are followed by Various State and local governments and National Labs in the State of New Mexico.

In most environments, an eight-character password is recommended because it is long enough to provide adequate security and still short enough for users to easily remember. To encourage users to think about a unique password, they recommend keeping a reasonable 8-character minimum length requirement. They also state that overly complex passwords can lead to poor password behavior. Users who forget their complicated passwords tend to end up replacing them with new, weaker ones. They also recommend encouraging users to use a passphrase such as a news headline or even the title of the last book they have read with eight characters or more and a combination of letters, numbers, and symbols, with the acknowledgment that keystroke logging, phishing, and social engineering attacks are equally effective on lengthy, complex passwords as simple ones. Length and complexity requirements beyond those recommended significantly increase the difficulty of protecting the organizations information and increase user frustration. Current best practices is to use Multifactor authentication to strengthen identity access and control with passwords guidelines used as one of the possible identity factors.

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section II – Financial Statement Findings (Continued)

2020-013 (Previously 2018-003, 2019-010) Information Technology Controls (Significant Deficiency in Internal Control over Financial Reporting) (Continued)

Management Response (Continued): CoSF ITT would be able to accommodate the additional password length and complexity recommendations from CLA with the understanding that they are not in alignment with standard password guidelines but agree that auditor's recommendations are intended to help support the security of the City of Santa Fe Finance system. The current pandemic will add additional complexity to the time required for increasing password length and other recommended password complexity changes with approximately 12 months for full implementation of the changes.

Person Responsible, including position title: Manuel Gonzales, ITT Director

Estimated Completion Date: September 1, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section III – Findings and Questioned Costs – Major Federal Programs

2020-014 (Previously 2019-011) Cash Management

Federal Agency: U.S. Department of Transportation/Federal Aviation Administration (FAA)

Federal Program: Airport Improvement Program (AIP)

CFDA Number: 20.106

Award Period: Various

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: According to § 200.303 Internal controls of 2 CFR Part 200, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. According to the AIP Grant Payment and Sponsor Financial Reporting Policy, if a sponsor submits an improper payment in Delphi invoicing they must immediately contact their RO/ADO. The Sponsor will notify their RO/ADO that they are either offsetting or returning funds for a specific grant.

Condition: During our testing, we noted the City did not offset or return funds for a duplicate payment to the City in the previous year.

Questioned costs: \$12,669

Context: For the year ended 6/30/2019, for one of one reimbursement requests tested, we noted the reimbursement request of \$12,669 on 5/22/2019 was a duplicate of a reimbursement request made on 6/27/2018. For the year ended 6/30/2020, we did not note an offset or return of funds for the grant to the Federal government for the duplicate payment.

Cause: The City did not take proper corrective action in addressing the previous year finding.

Effect: The auditor noted an instance of noncompliance. Noncompliance results in possible under or over charges to the grants.

Recommendation: We recommend the City contact the Federal funding agency for directive on returning the funds. The City should maintain any supporting documentation related to the matter in the applicable grant folder.

Management Response: The City is in agreement with the finding and understands the need to resolve such errors expeditiously as well as maintain documentation thereof. The City's policies and procedures will be updated to address this matter more specifically to eliminate this situation from occurring in the future.

Person Responsible, including position title: Grants Manager (in-process of hiring), Grants Financial Analyst (in-process of hiring) and Bobbi Huseman (Administrative Manager)

Estimated Completion Date: February 1, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2020-015 Property and Equipment

Federal Agency: U.S. Department of Transportation/Federal Aviation Administration (FAA)

Federal Program: Airport Improvement Program (AIP)

CFDA Number: 20.106

Award Period: Various

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: According to § 200.313 Equipment of 2 CFR Part 200, procedures for managing equipment purchased in whole or in part with under a federal award include: Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

Condition: During our testing, we noted that there is not a process to track capital assets that have been purchased with federal funds.

Questioned costs: None

Context: For the year ended 6/30/2020, the City purchased a snow plow with a purchase price of \$701,877. During inquiry over the capital assets, The City noted that the source of funding for each of the capital assets was not being tracked.

Cause: The City does not have a process in place to track the funding sources of capital assets.

Effect: The City is not meeting the minimum requirements over equipment purchased with federal funding.

Recommendation: We recommend the City implement a process to track funding sources of capital assets and perform a review of previously acquired to ensure that all capital assets are appropriately tracked.

Management Response: The City agrees with the finding and will update its capital asset accounting policies, procedures and detailed records to identify the source of funding (including federal award identification number) and percentage of federal participation in any equipment and property purchases.

Person Responsible, including position title: Accounting Officer (in-process of hiring) and Lisa M. Storey, Accounting Financial Analyst

Estimated Completion Date: February 1, 2022

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2020-016 (Previously 2019-012) Reporting

Federal Agency: U.S. Department of Housing and Urban Development (HUD)/Assistance Secretary for Community Planning and Development

Federal Program: Community Development Block Grants/Entitlement Grants (CDBG)

CFDA Number: 14.218

Award Period: 7/1/2019 – 9/1/2026

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: According to § 200.303 Internal controls of 2 CFR Part 200, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

Condition: During our testing, we noted the City did not have adequate internal controls in place to ensure compliance with reporting.

Questioned costs: None

Context: The SF-425, Federal Financial Report (cash status only) and IDIS Cash on Hand Quarterly Report (cash status only), as applicable, for all four periods of fiscal year 6/30/2020 did not contain evidence of review by the Housing Director (or anyone else within the City.)

Cause: The City is relying on HUD to approve or disapprove the reports rather than its own internal management/supervisory review.

Effect: The auditor noted instances of noncompliance. Noncompliance results in the potential for decreased Federal funding.

Recommendation: We recommend the City review 2 CFR Part 200 to gain an understanding of the Federal requirement to establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. We recommend the City incorporate into its process evidence of a review and approval of the reports by the Housing Director prior to submission to HUD.

Management Response: The City agrees with the finding and will enforce its currently established policies and procedures over CDBG federal reporting to ensure that all reports are properly prepared, supported by underlying records, timely and reviewed by the Housing Director prior to submission to the granting agency. In addition, the City will provide CDBG personnel training and oversight to ensure that this finding is not repeated in the future.

Person Responsible, including position title: Alexandra Ladd, Housing Director

Estimated Completion Date: Immediately

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2020-017 (Previously 2019-013) Allowable Activities and Costs – Payroll Disbursements

Federal Agency: U.S. Department of Housing and Urban Development (HUD)/Assistance Secretary for Community Planning and Development

Federal Program: Community Development Block Grants/Entitlement Grants (CDBG)

CFDA Number: 14.218

Award Period: 7/1/2019 – 9/1/2026

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: According to §200.303 Internal controls of 2 CFR Part 200, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The Integrated Disbursement and Information System (IDIS) is the draw down and reporting system for the CDBG program. According to HUD, the Office of Community Planning and Development utilizes data from IDIS to assess how housing and community development program funds are being used to serve the beneficiaries of HUD-funded programs. IDIS has information that allows HUD Field Office representatives to monitor grantee expenditures and accomplishments in IDIS. Grantees can use IDIS reports to manage their CPD formula grant programs more effectively. Some reports provide information on program accomplishments and disbursements, while others help reconcile records with local reporting systems.

Condition: During our testing, we noted an IDIS report did not agree to the financial records.

Questioned costs: \$12,408

Context: During our testing, we noted the Project Administration Drawn Amount in the IDIS - PR05 Drawdown Report by Project and Activity for Program Year 2019 did not agree to the financial records. The Drawdown Report had an amount of \$12,702 less than the financial records with \$12,408 attributable to salaries and benefits

Cause: The City lacks internal controls to ensure information reported to HUD in IDIS agrees to information recorded in the financial records. The Program personnel were using 45% of a program staff salary for the purposes of grant reimbursement, while the Finance team used 85% on the general ledger.

Effect: The auditor noted an instance of noncompliance. Noncompliance results in possible under or over charges to the grants.

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

**2020-017 (Previously 2019-013) Allowable Activities and Costs – Payroll Disbursements
(Continued)**

Recommendation: We recommend the City design controls to ensure an adequate review process is in place related to the reconciliation of IDIS reports to the financial records. We recommend Finance and Program personnel of the City to communicate with each other regarding the administration of the CDBG program. It will be a combined effort between the two to ensure the reporting system of HUD and the financial system of the City contain the same accurate and complete information of the CDBG program.

Management Response: The City agrees with the finding and will enforce its currently established accounting policies and procedures over CDBG federal reporting to ensure that all reports are properly prepared, supported by underlying records, timely and reviewed prior to submission to the granting agency. In addition, the City will provide CDBG personnel training and oversight to ensure that this finding is not repeated in the future.

Person Responsible, including position title: Grants Manager (in-process of hiring), Grants Financial Analyst (in-process of hiring) and Alexandra Ladd, Housing Director

Estimated Completion Date: Immediately

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2020-018 (Previously 2019-015) Program Income

Federal Agency: U.S. Department of Housing and Urban Development (HUD)/Assistance Secretary for Community Planning and Development

Federal Program: Community Development Block Grants/Entitlement Grants (CDBG)

CFDA Number: 14.218

Award Period: 7/1/2019 – 9/1/2026

Type of Finding:

- Material Weakness in Internal Control over Compliance
- Material Noncompliance (Modified Opinion)

Criteria or specific requirement: According to §200.303 Internal controls of 2 CFR Part 200, the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. According to §570.504 Program Income of 2 CFR Part 570 Community Development Block Grants, the receipt and expenditure of program income...shall be recorded as part of the financial transactions of the grant program. According to HUD in a Monitoring Correspondence to the City, "Prior to receipting and drawing Program Income, the City must review documentation such as loan repayment checks...to verify that the amount of program income corresponds to the information reported in the quarterly reports. The City must not solely rely on the information reported in the quarterly reports." Also, in HUD's Monitoring Correspondence to the City, "The City of Santa Fe did not...Ensure funds drawn from Program Income were supported by adequate documentation."

Condition: During our testing, we noted the City did not have adequate internal controls in place to ensure compliance with program income.

Questioned costs: Unknown

Context:

- The City was unable to provide one of three subrecipient folders for us to test program income.
- For two of the five receipts and one of the draws with a corresponding receipt, we noted the subrecipient folder did contain the quarterly reports submitted by the subrecipient to the City. However, the folder did not contain other documentation as specified by HUD to verify that the amount of program income receipted and drawn corresponds to the information reported in the quarterly reports.
- The City did not record the program income amounts included in the IDIS - PR09 Program Income Details by Fiscal Year and Program for time period of 07-01-2019 to 06-30-2020 in the financial records. Total CDBG Receipts and Total CDBG Draws against Receipts of approximately \$541,773 and \$357,034, respectively. Of the approximate \$541,773, local account receipts accounted for approximately \$183,274.

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2020-18 (Previously 2019-015) Program Income (Continued)

Context (Continued):

- The City is not reporting program income in a timely manner to HUD in IDIS. Our review of subrecipient quarterly reports submitted to the City for the fiscal year end 6/30/2020 has total program income generated and used of approximately \$487,735 and \$509,137, respectively. The City reported program income for the fiscal year end 6/30/2019 in the IDIS - PR09 Program Income Details by Fiscal Year and Program for time period of 07-01-2019 to 06-30-2020.

Cause: The City continues to lack established internal controls and procedures over financial grant management to ensure compliance with applicable compliance requirements. Also, there is a lack of communication between the Finance and Program personnel.

Effect: The auditor noted instances of noncompliance. Noncompliance results in the City unable to account for all program income generated and used. Also, noncompliance results in possible drawing from CDBG funds prior to drawing from program income.

Recommendation: We recommend the City review the HUD's Monitoring Correspondence to gain an understanding of HUD's requirements related to program income. We recommend the City implement a process and design controls to ensure the program income generated and used by the subrecipients is entered into IDIS on a quarterly basis as the City receives and reviews and approves the program income reports it requires its subrecipients to submit to it. Also, we recommend the City design controls to ensure an adequate process is in place to maintain records related to program income. The process should include the City to move towards maintaining the files in an electronic form. Lastly, we recommend Finance and Program personnel of the City to communicate with each other regarding the administration of the CDBG program. It will be a combined effort between the two to ensure the City is in compliance with the applicable compliance requirement.

Management Response: The City agrees with the findings. The CDBG Program Personnel will perform a complete inventory of all records pertaining to its subrecipients to compile a complete master listing of all subrecipients and will review all subrecipient folders from the master list to ascertain that all required documentation has been obtained and on file. Additionally, the Finance Department staff and CDBG Program staff will receive training on the reporting requirements for the federal reporting system. The City will perform periodic procedural reviews regarding the noted Program audit compliance issues.

Person Responsible, including position title: Alexandra Ladd, Housing Director, Grants Manager (in-process of hiring), and Grants Financial Analyst (in-process of hiring)

Estimated Completion Date: February 1, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section IV – Other

2020-019 (Previously 2019-020) Late Audit Report (Compliance and Other Matters)

Condition: The City's audited financial statements were required to be submitted to the New Mexico State Auditor's Office on December 15, 2020. The audited financial statements were not submitted until September 21, 2021.

Management's Progress on Repeat Findings: The City's June 30, 2019 audit was not received until the beginning of fiscal year 2021. Therefore, the City could not implement corrective actions during fiscal year 2020 to resolve this finding. However, the City fully expects to have this finding resolved by February 1, 2022.

Criteria: NMAC 2.2.2.9 – *Report Due Dates* – requires that audited financial statements for the City of Santa Fe be submitted by the December 15 after each fiscal year.

Cause: The City was not prepared for an audit of its financial statements in a timely manner, due most significantly to the lack of a periodic accounting close schedule during the year. As such procedures had not been performed, City personnel had to reconcile all accounts for the entire fiscal year.

Effect: The City was not in compliance with NMAC 2.2.2.9.

Recommendation: We recommend the development of a monthly and quarterly accounting close schedule to be adhered to by City staff. This will make future fiscal year audits more likely to meet the statutory deadline.

Management's Response: The City agrees with this finding. During fiscal year 2020 the City underwent an extensive accounting software conversion going from the JD Edwards system (which had been utilized by the City since 1999) to the new MUNIS system and the Finance Department was severely understaffed due to the pandemic which impacted the City's ability to adhere to a timely year end close. The City will adhere to a month-end close checklists and procedures with additional staff. This will help the Finance Department improve results from accurate financial reporting, and makes the City's Finance Department audit-ready earlier thereby reducing the risk of a late audit. The City will provide training to both Finance Department and other City Department personnel in completing the month-end close checklist. In addition, to monitor compliance over the timely and accurate completion of the month-end close checklists and procedures, internal audits will be conducted in this area during random intervals in the next fiscal year. The City and its Finance Department are committed in meeting the fiscal year 2021 audit deadlines.

Person Responsible, including position title: Mary McCoy, Finance Director and Accounting Officer (in-process of hiring)

Estimated Completion Date: December 15, 2022

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section IV – Other (Continued)

2020-020 Use of Vehicle Logs (Compliance and Other Matters)

Condition: During our observation over the use of City vehicles, we noted one of the divisions of the City uses a vehicle log to track the usage of the vehicle, however the City was not enforcing the complete usage of the form on each use.

Criteria: NMAC 2.20.5.8 requires entities to ensure that all reporting of financial information be timely, complete, and accurate. To ensure proper internal control all City policies need to be followed.

Cause: The City was not following its processes and procedures related to the use of vehicle logs.

Effect: Without proper monitoring, the City vehicles could be used for unauthorized purposes.

Recommendation: We recommend the City review the procedures across the City related to the use of vehicle logs including the review of the logs to ensure that all City vehicles are used in accordance with City Policies.

Management Response: The City agrees with this finding, and will provide training and oversight to all divisions using City vehicles to ensure the proper completion of the vehicle log upon each use.

Person Responsible, including position title: Fleet Manager, (in-process of hiring) and Gino Rinaldi, Recreation Director

Estimated Completion Date: Immediately

**CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2020**

Section IV – Other (Continued)

2020-021 Budgetary Compliance (Compliance and Other Matters)

Condition: During our testing over budgetary compliance for the year ended June 30, 2020, we noted the following budget overages for the City:

Fund	Fund Title	Final Budget	Actual Expenditures	Overage
210	Capital Equipment Rsv	500	876	(376)
214	Public Campaign Financing	-0-	58,018	(58,018)
216	Gross Receipts Tax	-0-	139	(139)
232	Impact Fees Fund	-0-	134	(134)
257	Land Development	-0-	19	(19)
400	Debt Service Fund	14,374,512	20,759,453	(6,384,941)
515	Railyard Properties	3,000,015	3,137,737	(137,722)
525	Midtown Property	3,142,334	4,947,221	(1,804,887)
605	Santa Fe Health/Dental	24,127,614	25,275,167	(1,147,553)
610	Workers' Compensation	1,619,004	2,112,657	(493,653)

Criteria: City funds are to be budgeted by the local governing body and submitted to the State of New Mexico Department of Finance and Administration - Local Government Division for approval. Once adopted, any claims or warrants in excess of approved budget are in violation of New Mexico Statute 6-6-6, 1978. In addition, NMAC 2.2.2.10 (R) (1) requires an audit finding if actual expenditures exceed budget expenditures at the legal level of budgetary control.

Cause: Necessary budget adjustments were not completed during the year.

Effect: Non-compliance with statutes regarding budgetary control.

Recommendation: We recommend the City regularly review expenditures to ensure there is the appropriate amount of budget in the respective fund.

Management Response: The City agrees with this finding. At fiscal year-end, unanticipated expenditures or transfers may arise for which the need for budget availability was not previously identified. Because of State imposed year-end deadline (July 31) and the timing of the July Council and City committee meeting schedules, budgetary compliance issues may result. The City's Budget Office will continue to work to anticipate such issues in the future, and anticipates this finding will be cleared up in the future.

Person Responsible, including position title: Accounting Officer (in-process of hiring) and Andrew Hopkins, Acting Budget Officer

Estimated Completion Date: Immediately

**CITY OF SANTA FE, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2020**

Section II – Financial Statement Findings

2019-001 Internal Controls Over Financial Close and Reporting Process (Material Weakness) – Repeated and Modified

2019-002 Utility Billings Receivable/Liabilities (Material Weakness in Internal Control over Financial Reporting) - Resolved

2019-003 Billing/Recognition of Federal Revenue (Material Weakness in Internal Control over Financial Reporting) – Repeated and Modified

2019-004 Construction in Process (Material Weakness in Internal Control over Financial Reporting) – Repeated and Modified

2019-005 Accrued Liabilities – Guarantees and Customer Deposits (Material Weakness in Internal Control over Financial Reporting) – Resolved

2019-006 Capital Asset Inventory Procedures (Significant Deficiency in Internal Control over Financial Reporting) – Repeated and Modified

2019-007 Errors in Preparing the Schedule of Expenditures of Federal Awards (Significant Deficiency in Internal Control over Financial Reporting) – Repeated and Modified

2019-008 Pooled Cash (Significant Deficiency in Internal Control over Financial Reporting) – Repeated and Modified

2019-009 Debt Accounting (Significant Deficiency in Internal Control over Financial Reporting) – Repeated and Modified

2019-010 Internal Controls over Information Technology (Significant Deficiency) – Repeated and Modified

CITY OF SANTA FE, NEW MEXICO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2020

Section III – Findings and Questioned Costs – Major Federal Programs

2019-011 Cash Management (Significant Deficiency in Internal Control over Compliance) – Repeated and Modified

2019-012 Reporting (Material Weakness in Internal Control over Compliance and Material Non-Compliance) – Repeated and Modified

2019-013 Allowable Activities and Costs – Payroll Disbursements (Significant Deficiency over Internal Controls over Compliance) – Repeated and Modified

2019-014 Period of Performance (Significant Deficiency over Internal Controls over Compliance) – Resolved

2019-015 Program Income (Material Weakness in Internal Control over Compliance and Material Non-Compliance) – Repeated and Modified

2019-016 Special Tests and Provisions (Material Weakness in Internal Control over Compliance and Material Non-Compliance) – Resolved

Section IV – Other

2019-017 Period of Performance (Compliance and Other Matters) – Resolved

2019-018 Employee Direct Deposit Controls (Compliance and Other Matters) - Resolved

2019-019 PERA-Census Data Testing (Compliance and Other Matters) - Resolved

2019-020 Late Audit Report (Compliance and Other Matters) – Repeated and Modified

2019-021 Noncompliance with State Audit Rule (Compliance and Other Matters) - Resolved

**CITY OF SANTA FE, NEW MEXICO
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2020**

An exit conference was held with the City on Tuesday, August 31, 2021. The conference was held virtually over a Zoom meeting hosted by the City. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

CITY OF SANTA FE

Mayor Alan Webber
Stephanie Woodruff, Audit Committee Chair
Jarel LePan Hill, City Manager
Mary McCoy, Finance Director
Alexis Lotero, Assistant Finance Director
Rochelle Alcon, Contractor
Tom Friend, Contractor
Thomasina Chavez, Accountant

OFFICE OF THE STATE AUDITOR

Mr. Brian Colón, Esq., New Mexico State Auditor
Natalie Cordova, Deputy New Mexico State Auditor

CLIFTONLARSONALLEN LLP

Raul J. Anaya, CPA, CFE, CGFM, Principal
Andres Gamez, CPA, Director

PREPARATION OF FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by the independent auditor. However, they are the responsibility of management, as addressed in the Independent Auditors' Report. Management reviewed and approved the financial statements.

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