



## Agenda

Regular Meeting of the Audit  
Committee  
April 3, 2025 at 2:00 PM  
Councilors' Conference Room,  
City Hall  
200 Lincoln Avenue

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### Procedures for Audit Committee Meeting

**Live Public Comment:** Members of the public may provide public comment in person during Petitions from the Floor, Public Comment, Final Action on Legislation, or Public Hearings.

1. Call to Order
2. Roll Call
3. Approval of Agenda
4. Approval of Minutes
  - a. Request for Approval of the October 24, 2024 Audit Committee Meeting Minutes. (Erminia Tapia, Administrative Manager; [emtapia@santafenm.gov](mailto:emtapia@santafenm.gov))

**Committee Review:**

Audit Committee: 04/03/2025

5. Presentations
  - a. Audit Committee Welcome and Overview. (Emily K. Oster, Finance Director; [ekoster@santafenm.gov](mailto:ekoster@santafenm.gov))
  - b. Internal Audit Overview. (Chelsea Ritchie, Moss Adams; [Chelsea.Ritchie@mossadams.com](mailto:Chelsea.Ritchie@mossadams.com))
  - c. FY2024 External Audit Report. (Emily K. Oster, Finance Director; [ekoster@santafenm.gov](mailto:ekoster@santafenm.gov))
6. New Business
  - a. Nomination and Election of Audit Committee Chair Person. (Emily K. Oster, Finance Director; [ekoster@santafenm.gov](mailto:ekoster@santafenm.gov))
7. Public Comment

8. Matters from Staff
9. Matters from the Committee
10. Matters from the Chair
11. Next Meeting: Thursday, May 22, 2025
12. Adjourn

Persons with disabilities in need of additional accommodations, contact the City Clerk's office at 505-955-6521, five (5) working days prior to meeting date.



City of Santa Fe

# MINUTES

REGULAR MEETING OF  
THE AUDIT COMMITTEE  
OCTOBER 24, 2024 AT 2:00 PM  
COUNCILOR CONFERENCE  
ROOM  
CITY HALL  
200 LINCOLN AVENUE

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1. **CALL TO ORDER**

2. **ROLL CALL**

**Members Present:**

Member Adolfo Montoya

Chair Stephanie Woodruff

Member Steve Johnson

Chair Randy Grissom

Member Diane Rubin

**Members Excused:**

3. **Others Attending:**

Erminia Tapia, Clerk

Emily K. Oster, Clerk

4. **APPROVAL OF AGENDA**

**MOTION:** Chair Woodruff moved, seconded by Member Rubin, to approve the Agenda as presented.

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

**For:** Member Montoya, Chair Woodruff, Member Johnson, Chair Grissom, Member Rubin

**Against:** None

**Abstain:** None

4. **APPROVAL OF MINUTES**

- a. Request for Approval of the July 25, 2024 Audit Committee Meeting Minutes. (Emily K. Oster, Finance Director; [ekoster@santafenm.gov](mailto:ekoster@santafenm.gov))

**MOTION:** Member Rubin moved, seconded by Member Montoya, to approve the Minutes as presented.

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

**For:** Member Montoya, Chair Woodruff, Member Johnson, Chair Grissom, Member Rubin

**Against:** None

**Abstain:** None

5. **PRESENTATIONS**

- a. Internal Audit Status Update. (Chelsea Ritchie, [chelsea.ritchie@mossadams.com](mailto:chelsea.ritchie@mossadams.com), 505-837-7664)
- b. Review of City of Santa Fe Audit Committee Responsibilities Relating to Internal Audit. (Halie Garcia, [Halie.Garcia@mossadams.com](mailto:Halie.Garcia@mossadams.com), 505-878-7208)
- c. External Audit Status Fiscal Year 2024. (Emily K. Oster, Finance Director; [ekoster@santafenm.gov](mailto:ekoster@santafenm.gov))

6. **NEW BUSINESS**

- a. City of Santa Fe Citywide Internal Controls Review. (Chelsea Ritchie, [chelsea.ritchie@mossadams.com](mailto:chelsea.ritchie@mossadams.com), 505-837-7664)

**MOTION:** Member Montoya moved, seconded by Member Johnson, to approve the presentation as presented.

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

**For:** Member Montoya, Chair Woodruff, Member Johnson, Chair Grissom, Member Rubin

**Against:** None

**Abstain:** None

- b. [Request for Approval of the 2025 Audit Committee Meeting Calendar. \(Emily K. Oster, Finance Director; ekoster@santafenm.gov\)](#)

**MOTION:** Member Rubin moved, seconded by Member Johnson, to approve the action plan as presented.

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

**For:** Member Montoya, Chair Woodruff, Member Johnson, Chair Grissom, Member Rubin

**Against:** None

**Abstain:** None

- 7. **PUBLIC COMMENT**
- 8. **MATTERS FROM STAFF**
- 9. **MATTERS FROM THE COMMITTEE**
- 10. **MATTERS FROM THE CHAIR**

11. **NEXT MEETING: No Meeting Scheduled**

12. **ADJOURN**

**PRESENTATIONS**

*Erminia Tapia*  
\_\_\_\_\_  
Liaison

\_\_\_\_\_  
Chair

## 6-5 - AUDIT COMMITTEE.

## 6-5.1 - Creation; purpose.

- A. There is created pursuant to the city of Santa Fe Municipal Charter the city of Santa Fe audit committee, an independent advisory committee.
- B. The purpose of the audit committee is to provide an independent body to review such internal and external audits, assessments and investigations of the city's finances and financial systems as may be conducted from time to time and to advise the city manager, the finance committee and the governing body regarding such audits, assessments and investigations, and to recommend the adoption of policies and procedures with respect thereto as will promote the transparency, accountability, efficiency and effectiveness of city government for the citizens of Santa Fe.

(Ord. #2013-35; Ord. #2018-9, § 1)

## 6-5.2 - Powers and duties.

The audit committee shall, to the extent possible under the city charter:

- A. Participate in the selection of the internal auditor, of any independent contractor charged with performing any internal audit functions for the city, and of any external auditors;
- B. Review and recommend for approval by the finance committee any internal audit plan proposed by the internal auditor or any contractor performing internal audit functions for the city, and any modifications thereto;
- C. Independently review all internal and external audits, assessments and investigations of the city as may be conducted from time to time, including audits and reviews conducted by federal and state agencies and make recommendations to the city manager, the finance committee and the governing body regarding actions which may be necessary or appropriate in light of any findings, corrective action plans or issues identified in such audits, assessments or investigations;
- D. Review and make recommendations to the finance committee regarding the city's comprehensive annual financial report;
- E. Assure that all audits certify that they conform to generally accepted governmental auditing standards;
- F. Assure that the internal audit functions are independent in accordance with generally accepted governmental auditing standards, whether performed by city staff or outside contractors, or any combination thereof;
- G.

Receive a presentation of and review the city's financial reports, periodically, but not less than twice per fiscal year;

H. Advise, review and make recommendations for other matters as requested by the city manager, the finance committee or governing body.

(Ord. #2013-35; Ord. #2018-9, § 1)

#### 6-5.3 - Membership; chairperson; terms; vacancies.

- A. *Membership.* The audit committee shall consist of five (5) individuals appointed by the governing body based upon the recommendation of the municipal judge. The members of the audit committee shall include individuals that have experience and knowledge that would assist the governing body in completing the audit committee's purpose and who are qualified by training, experience, and ability to exercise sound and practical judgment regarding the duties and responsibilities of the audit committee. Of the five (5) members no less than two (2) members shall be certified public accountants, at least one of whom has extensive audit experience; no less than one (1) member shall be a lawyer; and one (1) member shall have business management experience. Members shall reside in the State of New Mexico.
- B. *Chairperson.* The initial chairperson shall be appointed by the mayor with the approval of the governing body. The chairperson shall designate the vice chairperson. The chairperson shall serve as chairperson for a period of one (1) year. Following one (1) year of service, the chairperson shall be elected (or reelected) by the members of the committee. The chairperson may appoint subcommittees and sub-committee chairpersons as needed.
- C. *Terms.* Two (2) of the members shall be initially appointed for two (2) year terms and three (3) shall be appointed for three (3) year terms. Subsequent terms shall be for three (3) years to maintain staggering of terms; limited to no more than four (4) terms. The members shall serve at the pleasure of the governing body and may be removed at any time with or without cause.
- D. *Vacancies.* Vacancies on the audit committee shall be filled in the same manner as initial appointments and shall be for the remainder of the term of the vacant position.

(Ord. #2013-35; Ord. #2018-9, § 1)

#### 6-5.4 - Meetings; staff.

- A. *Meetings.* A quorum of the audit committee shall be at least three (3) members. The audit committee shall conduct all meetings in accordance with adopted city policies and procedures. The audit committee shall meet at least quarterly or as needed to accomplish the duties and responsibilities of the committee.
- B.

*Staff.* The city manager shall designate appropriate staff to serve as the primary liaison to the committee. Depending upon the issue, other city staff may also be required to assist the committee.

(Ord. #2013-35; Ord. #2018-9, § 1)

**Editor's note**— Former § 6-5, Design Review Board, previously codified herein, was removed at the direction of the city.

#### 6-5.5 - Administrative procedures.

The audit committee shall recommend to the governing body for adoption administrative procedures for the exercise of the audit committee's power and duties hereunder.

(Ord. #2018-9, § 1)

## 2-22 - INTERNAL AUDIT.

*Footnotes:*

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**Editor's note**— Ord. #2020-22, § 12, adopted September 9, 2020, amended § 2-22 in its entirety to read as herein set out. Former § 2-22, pertained to internal audit department, and derived from Ord. #2012-32, §§ 2—11; Ord. #2013-34, §§ 1—9.

## 2-22.1 - Short title.

Section 2-22 SFCC 1987 shall be cited as the "Internal Audit Ordinance."

(Ord. #2020-22, § 12)

## 2-22.2 - Findings; purpose; goals.

- A. The governing body finds that good governance, transparency and accountability are critical in the public sector for the effective and credible functioning of a healthy democracy, and in fulfilling the government's responsibility to citizens and taxpayers.
- B. Transparent and reliable reporting and effective auditing in government serve to promote accountability, enhance the effectiveness of government services to its citizens, and increase the public's confidence in their government.
- C. The members of the governing body share a duty to insure that the actions of public officials, employees and contractors of the city are carried out in the most responsible manner possible and that city policies, budgets, goals and objectives are fully implemented.
- D. To accomplish this, the city requires the services of an independent office or contractor to provide independent, objective assurance and review services designed to promote transparency, accountability, efficiency and effectiveness of city government.
- E. The governing body does hereby establish the internal audit department, an independent city department of city government or an independent contractor reporting to the city manager, which shall oversee the functions hereby established. To ensure independence and compliance with generally accepted governmental auditing standards, the internal auditor:
  - (1) Shall report results to the city manager, the audit committee, the finance committee and the governing body;
  - (2) Has access to the governing body in accordance with the Open Meeting Act; and
  - (3) Is sufficiently removed from political pressures to conduct audits and report findings, opinions, and conclusions objectively without fear of political reprisal.
- F.

The internal audit department, in cooperation with the audit committee, shall establish job descriptions and department policies and procedures based on generally accepted governmental auditing standards; and to adopt the Code of Ethics as defined by the Institute of Internal Auditors.

(Ord. #2020-22, § 12)

#### 2-22.3 - Definitions.

For the purpose of this section, the following definitions shall apply, unless the context clearly indicates or requires a different meaning.

*Auditees* mean the city related departments, programs, activities, agencies, vendors, contractors, employees, public officials or other city related entities affected by an audit or investigation.

*Committee* means the City of Santa Fe audit committee.

*Contractors* mean all city contractors.

*Employee* means a city employee.

*Internal auditor* means the internal auditor who is the head of the internal audit department or the city's primary contact for the internal audit contractor.

*Official* means the mayor or a city councilor.

*Report* means an audit, a special audit, an investigation and/or an examination.

*Special investigation or special audit* means additional procedures or audits undertaken because the need was not previously foreseen.

(Ord. #2020-22, § 12)

#### 2-22.4 - Creation of the internal audit department; resources; staff.

- A. The internal audit department is created as an independent office of city government. The internal auditor shall either be the head of the internal audit department or an independent contractor and shall report to the city manager.
- B. The audit committee shall review applications for and make a recommendation to the city manager for hiring an internal auditor.
- C. The internal auditor shall review applications and make recommendations to the city manager for hiring other internal audit department employees or procuring independent contractors for assistance with the internal audit.
- D. In accordance with law and in consultation with the city attorney's office, the city manager shall report proposed personnel actions, such as hiring, discipline, or termination, relating to the internal auditor to the audit committee in executive session, in accordance with the New Mexico

Open Meetings Act. Nothing in this paragraph shall prohibit the city manager from immediately placing the internal auditor on administrative leave due to a proposed personnel action; however, the city manager shall report the proposed personnel action to the audit committee, within seven (7) business days from the date the internal auditor is placed on administrative leave.

- E. The internal auditor's work shall result in a complete written final report being made of each annual audit, special audit, investigation and/or examination made ("report") and shall be delivered to the city manager, except if the city manager is the subject of the audit, then the report shall be delivered to the mayor. The internal auditor shall also notify the governing body in writing that the final report has been delivered. Each report, in its final form, shall set out in detail, in a separate section, any violation of law or good accounting practices found. Such reports are confidential under this section until placed on the finance committee's agenda or put in their final form, whichever occurs first. Reports shall not exist in a draft form for more than thirty (30) days without presentation to the finance committee. Final reports shall also be timely presented to the audit committee. If the draft report is not ready to be delivered to the city manager in its final form or is not ready to be presented to the finance committee after thirty (30) days, then staff shall inform the finance committee, in writing, the specific date, absent court order not exceeding twenty (20) days, when the final report will be delivered to the city manager or presented to the finance committee and the stated basis for the additional time needed.
- F. Any final report for presentation to city committees or the governing body shall be included in the meeting packet and such meeting packets shall be posted on the city's website.
- G. Prior to the committee meeting a final report placed on a committee agenda shall be accessible by all members of the governing body and the public, and at such time shall become a public record consistent with the Inspection of Public Records Act and its exemptions.
- H. Within thirty (30) days after receipt of the report, the employee and/or division and/or department audited may notify the internal auditor of any errors in the report. If the internal auditor is satisfied from data or documents at hand, or by an additional investigation, that the report is erroneous, the internal auditor shall correct the report and furnish copies of the corrected report to all parties receiving the original report.
- I. The internal auditor may disclose audit information or audit documentation that is confidential, without losing the confidentiality under this Ordinance to an independent external auditor in connection with a special audit, performance audit, attestation engagement, or other existing or potential engagement regarding the financial affairs and transactions of the city.
- J. The auditor's budget shall be reflected in the city manager's proposed budget as a separate department. The budget shall be sufficient to allow the organization to carry out its responsibilities, including sufficient funding for annual continuing professional education

requirements and professional certification as required by the generally accepted governmental auditing standards. The auditor's proposed budget shall be prepared and presented to the finance director and the city manager.

(Ord. #2020-22, § 12)

2-22.5 - Internal auditor's duties; responsibilities; authority; administrative subpoena power.

- A. If the internal auditor detects instances of possible fraud, waste, or abuse or potential violations of law by an auditee, the auditor shall report the irregularities to the city manager and the audit committee.
  - (1) In accordance with Section 12-6-6 NMSA 1978 and state auditor's Rule 2.2.2.10K(3), a notification letter regarding the possible fraud, waste, or abuse shall also be sent to the state auditor's office whether or not an investigation by the internal auditor is conducted.
  - (2) If the irregularity is criminal in nature, the internal auditor shall immediately refer the irregularity to the appropriate prosecuting authority.
  - (3) If the irregularity warrants a special investigation, audit, and/or special audit, then the internal auditor shall conduct a special investigation, audit and/or special audit. The report shall be submitted to the city manager, the audit committee, the auditee, the governing body through the finance committee.
  - (4) The internal auditor shall not accept complaints related to discrimination or labor law matters. In some cases, it may be appropriate for internal audit to work with investigators or legal authorities, or withdraw from or defer further audit work on the audit or portion of the audit to avoid interfering with an ongoing investigation or legal proceeding.
- B. The internal auditor shall adhere to generally accepted governmental auditing standards in conducting its work and will be considered independent as defined by those standards.
- C. The internal auditor's work is subject to a peer review by an appropriate professional non-partisan objective group every three (3) to five (5) years if the internal auditor is an employee; contract internal auditors shall serve for no more than four (4) consecutive years. A copy of the written report by an objective group shall be furnished to the city manager, audit committee, and governing body, via the finance committee.
- D. The internal auditor shall have the power to subpoena witnesses, administer oaths, and require the production of records subject to the New Mexico Rules of Civil Procedure. In the case of a refusal to obey a subpoena issued to any person, the internal auditor may make application to any district court in the state that shall have the jurisdiction to order the witness to appear before the internal auditor and to produce evidence if so ordered, or to give testimony touching on the matter in question.

(Ord. #2020-22, § 12)

2-22.6 - Scope of audits.

- A. Audits, except for special audits or special investigations/examinations, will be conducted based on an annual audit plan developed in accordance with applicable professional auditing standards. This plan and any modifications thereof, are to be reviewed by the audit committee and recommended for approval.
- (1) Within sixty (60) days before the beginning of each fiscal year, the internal auditor shall submit a one-to-five-year audit plan to the audit committee, the city manager and the governing body for review and comments, but the internal auditor shall have final authority to select the audits planned. The proposed plan shall include the rationale for the selections, for auditing departments, offices, boards, activities, subcontractors and agencies for the period. This plan may be amended after review;
  - (2) The final plan and any amendments will be presented to the audit committee, the city manager, and subject to approval of the governing body;
  - (3) In the selection of audit areas and audit objectives, the determination of audit scope and the timing of audit work, the internal auditor should consult with federal, state, and other external auditors so that the desirable audit coverage is provided and audit effort is properly coordinated.
- B. The internal auditor is authorized to conduct the following audits as defined in generally accepted governmental auditing standards:
- (1) *Performance/Management Audits.* Performance audits are defined as engagements that provide assurance or conclusions based on an evaluation of sufficient and appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices.
  - (2) *Financial Audits.*
  - (3) *Attestation Engagements.* Attestation engagements result in an examination, a review, or agreed upon procedures about a subject matter that is the responsibility of another party. This includes special audits.
  - (4) *Advisory (Non-Audit) Services.* This includes special investigations. The issued report shall not include an opinion statement or a statement indicating the investigation was done in accordance with generally accepted government auditing standards. These services are subject to applicable professional standards.
- C. The auditor shall have the authority to conduct performance and financial audits, attestation engagements or to provide advisory (non-audit) services to independently and objectively determine whether:

- (1) The city, state or federal law authorizes the implemented activities and programs that are the subject of the audit;
- (2) The objectives intended by city, state, or federal law are efficiently and effectively accomplished in the implementation of activities and programs;
- (3) The expenditure of funds was or is in compliance with applicable laws;
- (4) The revenues were or are properly collected, deposited, and accounted for;
- (5) The entity, programs, activities, functions, or policies are effective, including the identification of any causes of inefficiencies or uneconomical practices;
- (6) The desired result or benefits are being achieved;
- (7) Resources, including funds, property and personnel, were or are adequately safeguarded, controlled, and used in a faithful, effective, and efficient manner;
- (8) Financial and other reports fairly and fully disclosed all information as required by law necessary to evaluate and ascertain the nature and scope of programs and activities;
- (9) Management established operating and administrative procedures and practices, accounting internal control systems and internal management controls were and are adequate and functioning as intended;
- (10) City policies, budgets, goals, and objectives were and are fully implemented; and
- (11) Indications of fraud, waste, abuse, or illegal acts are valid and need further investigation.

(Ord. #2020-22, § 12)

#### 2-22.7 - Reports.

- A. The internal auditor shall report results of all types of audits, investigations and/or engagements in their final report form to the audit committee, the city manager, the auditees, and the governing body via the finance committee.
- B. All types of audit reports, investigations, and/or engagements, in their final report form, are public records, available for public inspection.
- C. The internal auditor's reports, including attestation engagements, shall follow the guidelines as specified in generally accepted governmental auditing standards, or in the case of a non-audit service applicable professional auditing standards.
- D. At a minimum audit and attestation engagement reports should include:
  - (1) Statements describing the objectives, scope and methodology of the audit;
  - (2) A statement that the audit was performed in accordance with generally accepted government auditing standards;
  - (3) Background information, audit results, and findings as appropriate;
  - (4) A conclusion based on the audit objectives and the audit findings; and

- (5) The findings in the audit report should present sufficient, appropriate evidence to support the conclusion in relation to the audit objectives.
- E. Responses submitted by the city manager relevant to the audit findings must include a remediation plan specifying dates and corrective action to be taken to resolve the issue.
- (1) A response is required within fourteen (14) days of receipt of a final report;
  - (2) If no response is received, the internal auditor will note that fact in the transmittal letter and will release the report without a remediation plan.
- F. The internal auditor shall submit an annual report to the audit committee, city manager, and governing body via the finance committee within sixty (60) days after fiscal year end indicating all audits, investigations, and/or engagements completed, major findings, corrective actions taken by administrative managers, and significant issues which have not been fully addressed by management.

(Ord. #2020-22, § 12)

#### 2-22.8 - Reporting.

The internal auditor shall follow the internal audit plan, report to the governing body via the finance committee, the auditees, the city manager, and the audit committee regarding all audit activities, results, and conclusions. Depending on the type of audit, the internal auditor shall report more frequently when requested.

(Ord. #2020-22, § 12)

#### 2-22.9 - Contract auditors, consultants, and experts.

Within budgetary constraints, the internal auditor may obtain the services of certified public accountants, qualified management consultants, certified fraud examiners, forensic auditors, or other professional experts necessary to perform the functions of the internal audit department. Contractors performing an audit shall not have any financial interest in the affairs of the auditees, officials, or employees. The internal auditor shall coordinate and monitor auditing performed by persons under contract to the internal auditor.

(Ord. #2020-22, § 12)

#### 2-22.10 - Penalty; cooperation; retaliation prohibited.

- A. All city officials, employees, and contractors shall provide the internal auditor full and unrestricted access to all city offices, employees, records, information, data, reports, plans, projections, matters, contracts, memoranda, correspondence, electronic data, property, equipment and facilities, and any other materials within their custody. At the internal auditor's request, an official, employee, or contractor shall prepare reports and provide interviews. If an

auditee, official, employee, vendor, or contractor fails to produce the requested information, the internal auditor shall notify the city manager requesting the city manager's assistance in causing a search to be made and germane exhibits to be taken from any book, paper, or record, written or electronic, excepting personal property. The city manager shall require the officials, employees, vendors, or contractors to produce the requested information. Further, all contracts with outside contractors and subcontractors shall contain a "right-to-audit" clause providing the internal auditor access to the contractor's employees and to all financial and performance related records, property, and equipment purchased in whole or in part with governmental funds.

- B. No person shall retaliate against, punish, or penalize any other person for complaining to, cooperating with, or assisting the internal auditor in the performance of the office. The internal auditor, all city employees and public officials, and any person cooperating with the internal auditor in performance of duties has the same protections as provided for in the Federal Whistle Blower Protection Act and the New Mexico Whistleblower Protection Act, Sections 10-16C-1 et seq. NMSA 1978.
- C. Any official or employee who violates this section may be subject to discipline as may be specified in applicable city ordinances or any applicable collective bargaining agreement.

(Ord. #2020-22, § 12)

#### 2-22.11 - Audits and the Inspection of Public Records Act.

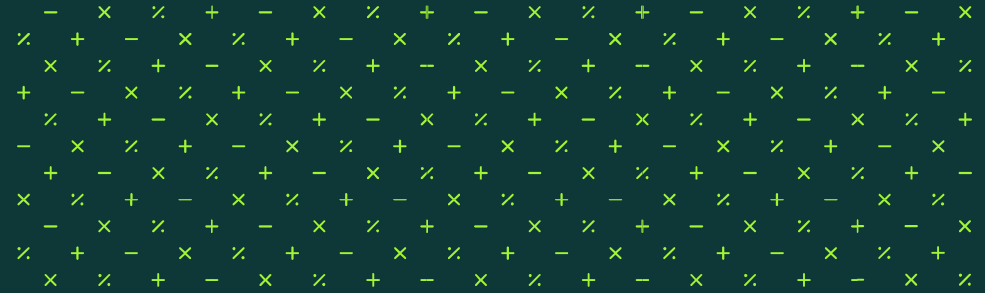
- A. This subsection is adopted pursuant to the general welfare and police powers conferred upon the city of Santa Fe by § 3-17-1 et seq. and § 3-18-1 et seq. NMSA 1978, pursuant to the powers conferred upon the city of Santa Fe by the New Mexico Constitution, Article X §§ 6(D) and 6(E) and the Municipal Charter Act § 3-15-1 et seq. NMSA 1978, which have been exercised by the city's adoption of the Santa Fe Municipal Charter. The purpose of this subsection is within both the city's home rule powers and the delegated powers that all municipalities have to provide for the general welfare of their residents by the general welfare clause in Section 3-17-1(B) NMSA 1978 and police power to "protect generally the property of its municipality and its inhabitants" and to "preserve peace and order within the municipality" by Section 3-18-1(F) and (G) NMSA 1978.
- B. At all times during the audit process and after the report becomes a public record; the internal auditor shall follow applicable standards and 2.2.2 NMAC regarding the release of any information relating to the audit. Applicable standards include but are not limited to the AICPA Code of Ethics Rule 301 and related interpretations and guidance, Institute for Internal Auditors interpretations and guidance and GAGAS 4.30 to 4.32 and GAGAS 4.40 to 4.44.

(Ord. #2020-22, § 12)

April 3, 2025

To: City of Santa Fe Audit Committee  
 From: Moss Adams LLP  
 Subject: Internal Audit Status Report January 16 through March 31, 2025

<b>INTERNAL AUDIT PROJECTS</b>	<b>FOLLOW-UP ON PREVIOUS AUDITS</b>	<b>PROCUREMENT OPERATIONAL REVIEW</b>	<b>MONTH AND YEAR-END CLOSE INTERNAL CONTROLS REVIEW</b>	<b>POLICIES &amp; PROCEDURES</b>	<b>FRAUD, WASTE, AND ABUSE (FWA) TRAINING/REVIEW</b>
<b>Schedule</b>	October 2024-February 2025	November 2024-April 2025	January-May 2025	January-June 2025	February-May 2025
<b>Activities for This Period</b>	Received documents, finished assessment, and drafted report	Completed testing and analysis, prepared preliminary observations and reviewed with management	Kicked off project, requested documents, and conducted interviews	Conducted interview and drafted Vendor Management P&P	Kicked off project, requested documents, conducted interviews, and developed preliminary observations
<b>Activities for Next Period</b>	Review draft report with City stakeholders and finalize report.	Draft and review report with City stakeholders, finalize report.	Complete testing and analysis, prepare preliminary observations, draft and review report with management, finalize report.	City stakeholders to review Vendor Management P&P and finalize P&P. Discuss with City staff potential additional P&Ps to assist the City with.	Review preliminary observations with City stakeholders and discuss City's preferred next steps for training/review.
<b>Issues</b>	Delays with obtaining requested documents	None	None	None	None



# City of Santa Fe Internal Audit Function

Presentation to Audit Committee

April 3, 2025



# Introduction to Moss Adams

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The City retained Moss Adams to serve as the designated Internal Auditor and conduct projects focusing on:

- Risks
- Internal controls
- Efficiency and effectiveness
- Best practices
- Compliance

Work is completed under appropriate industry standards (IIA, GAGAS, AICPA)

# Why Internal Audit?

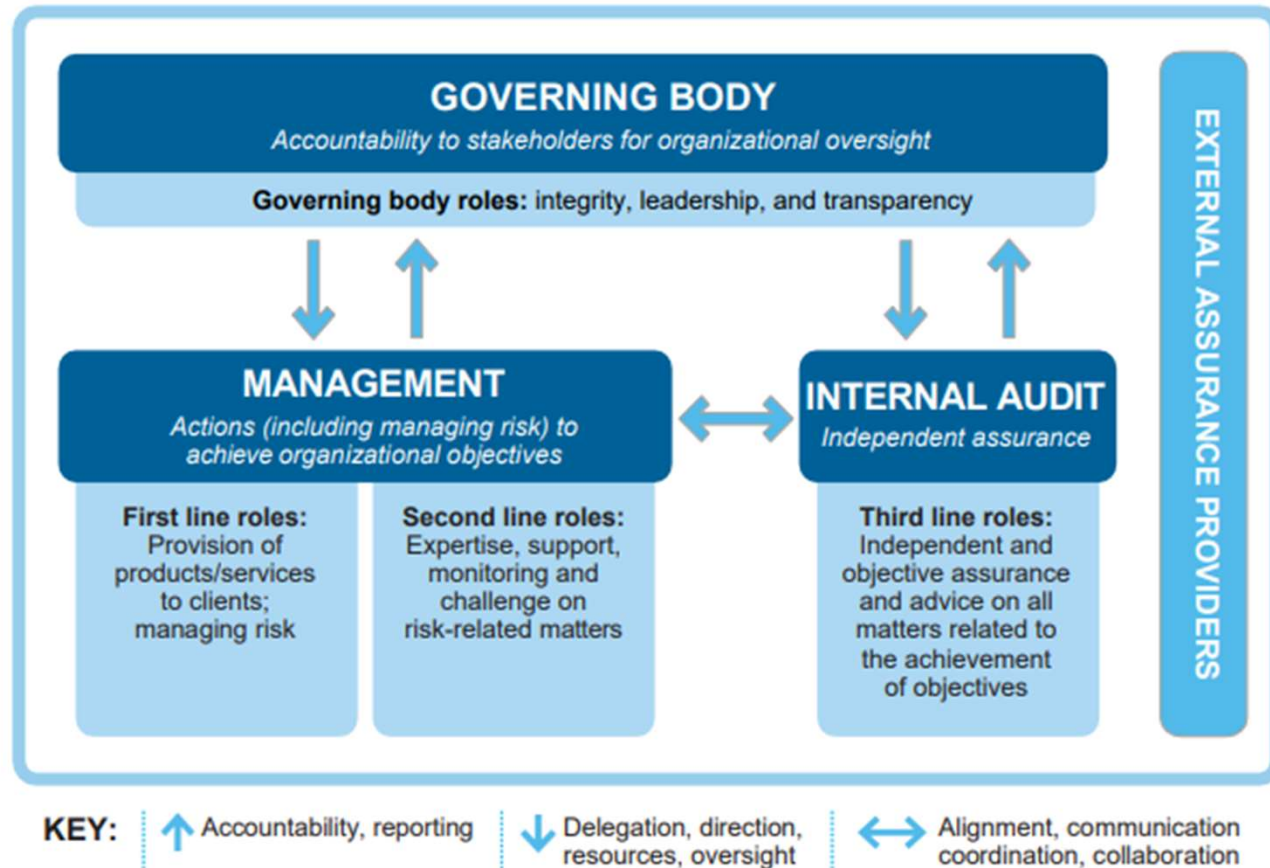
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- Different perspective than external financial audit
- Objective and independent
- Prioritize opportunities for reducing risks, strengthening controls, and enhancing performance
- Goes beyond just the finance department
- Best practices
- Alignment with strategic goals



# Role of Internal Audit

## The IIA's Three Lines Model



Source: IIA



# Establishing the City's Internal Audit Program

## Key Success Factors: Communication and Collaboration

### Understand goals/objectives

- Seek input from a variety of stakeholders
- Define goals & objectives
- Establish measurable performance metrics

### Educate & Communicate

- Define roles and responsibilities
- Establish communication plan
- Develop and carryout governance training
- Educate personnel on purpose, benefits, and expectations

### Establish Program Baseline (Completed)

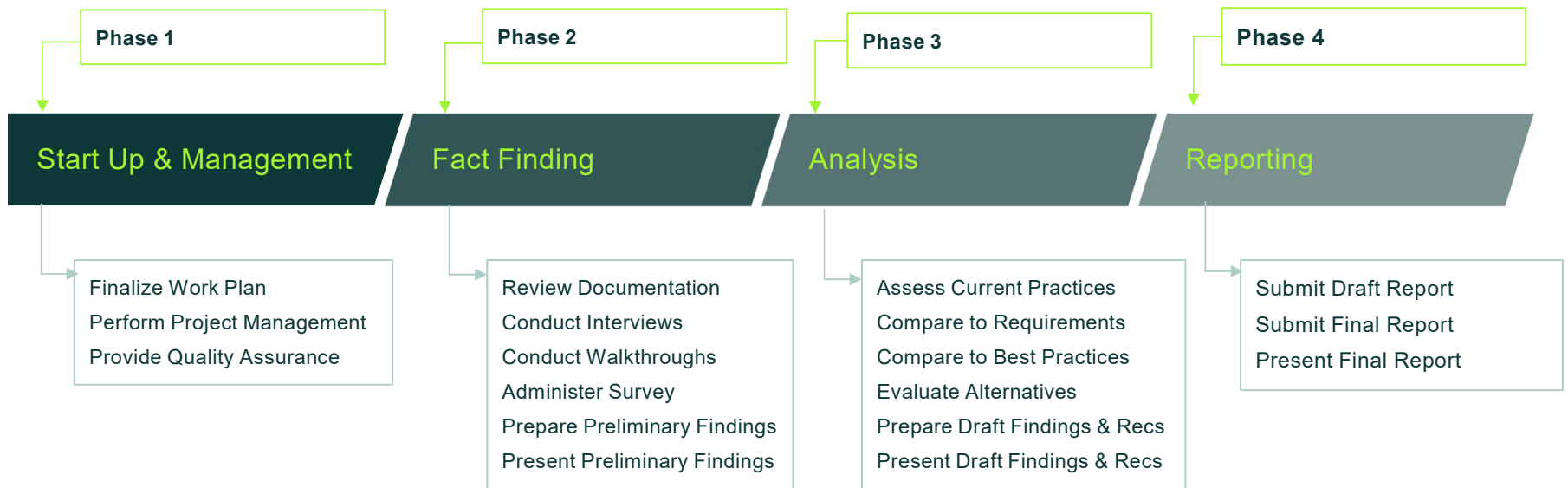
- Conduct Entity-wide Risk Assessment
- Develop internal audit plan
- Obtain approval for plan

### Carryout Program (In progress)

- Schedule projects
- Conduct internal audits, in accordance with approved plan
- Report on results
- Track findings and recommendations
- Check-in on program performance
- Report to governance regularly



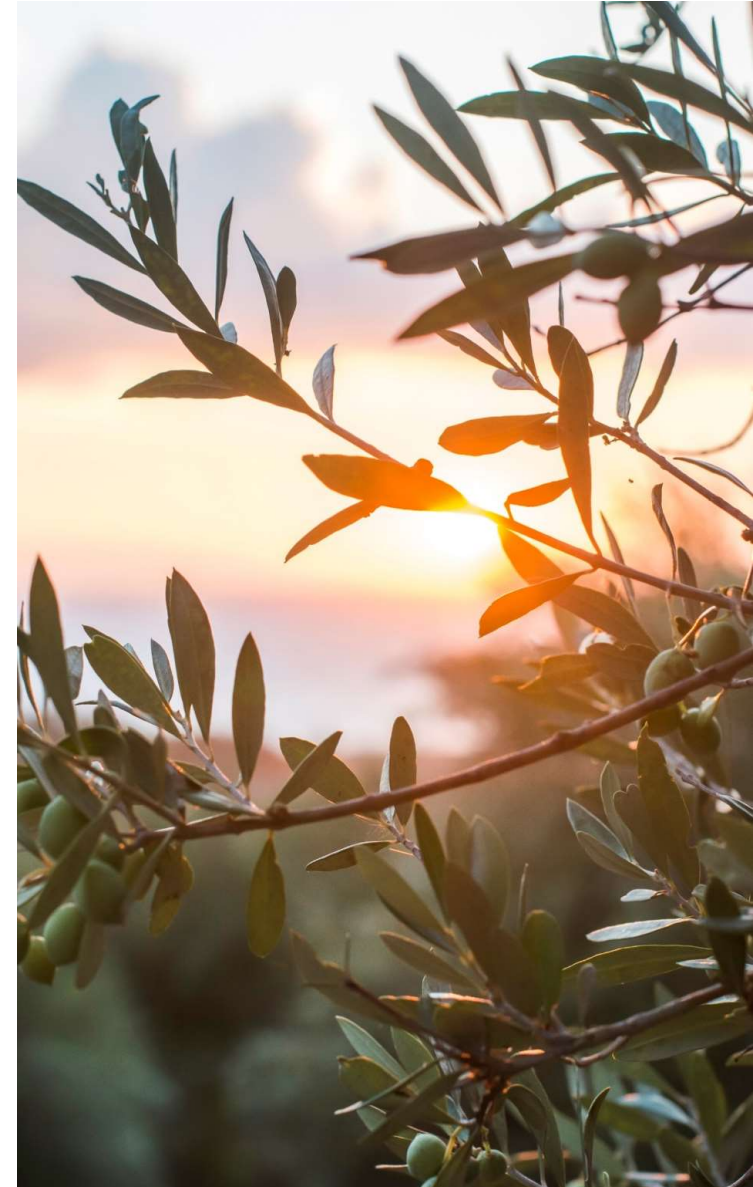
# Internal Audit Approach



# Internal Audit Background

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- Projects performed each fiscal year based on Audit Program determined by Audit Committee
  - Ordinance does not require a certain number of projects per year
- Moss Adams provides recommended Audit Program to Audit Committee for review, discussion, and finalization
- Project priorities originally stemmed from Enterprise Risk Assessment and Internal Control Review
- Ensuing projects determined based on other internal and external risk factors identified throughout the fiscal year



# Internal Audit Background (cont.)

---

- Recommendations resulting from internal audits to be presented to the City's Audit Committee for recommendation to the City Manager, Finance Committee and Governing Body.
- Similar to other Cities that we work with, there are opportunities for improvement across departments
- Each City deals with own issues (staffing shortages, budget cuts, technology issues, behind on external audits, etc.), and we help to remedy the situation by providing potential solutions



# Internal Audit Risk Rating Terminology

---

- Projects generally present Findings on a risk scale (High, Moderate, or Low)
  - High: City exposed to a high degree of combined risks. Recommendations should be implemented immediately (preferably within three months) to address areas with the most significant impact or highest likelihood of loss, misappropriation, or damage related to the City's assets.
  - Moderate: City exposed to a moderate degree of combined risks. Recommendations should be implemented timely (preferably within six months), to address moderate risks and strengthen or enhance efficiency in internal controls on areas with moderate impact and likelihood of exposure.
  - Low: City not likely exposed to significant losses. However, they should be addressed to improve efficiency and effectiveness of operations. Recommendations should be implemented within 12 months.




# Internal Audit Projects FY 25

## **1. Follow Up on Previous Audits (carryover project from FY 23-24):**

Follow up on previous findings from past internal audits. (12 weeks, \$20,000)

**2. Month and Year-End Close Internal Control Review:** Assess the internal controls in place over the City's month and year-end closing activities. (12-16 weeks, \$35,000)

 **3. Fraud, Waste, and Abuse (FWA) Training/Review:** Provide training to City employees about fraud and support to the City over their FWA program. (4 weeks, \$10,000)

**4. Policy Update Support:** Review and provide feedback on financial policies and procedures as they are updated. (as needed, \$5,000-\$8,000/policy)


**5. Procurement Operational Review:** Assess procurement operations, including alignment with City goals, policies, and industry best practices (12-16 weeks, \$45,000)





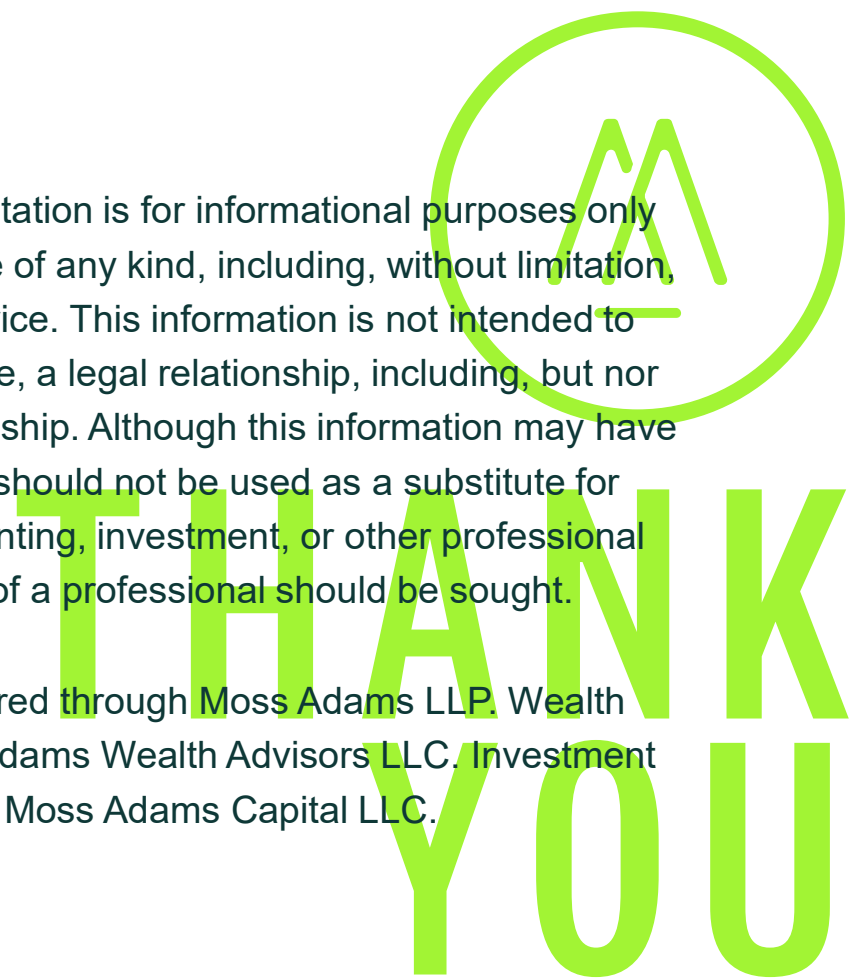
## Internal Audit Projects FY 26

- 1. Grants Management Operational Review:** Assess the City's grants management function to identify opportunities for improvement (16 weeks, \$50,000)
- 2. Cash Balances Internal Audit:** Assess the City's internal controls over cash, handling, management and reporting (12-16 weeks, \$40,000)
- 3. Risk Management Operational Review:** Assess the City's risk management functions, including reviewing staffing, structure, and processes (16 weeks, \$35,000)
- 4. Recruitment Process Review:** Review and evaluate the efficiency and effectiveness of the recruitment lifecycle and process to identify opportunities for improvement (12-16 weeks, \$35,000)



The material appearing in this presentation is for informational purposes only and should not be construed as advice of any kind, including, without limitation, legal, accounting, or investment advice. This information is not intended to create, and receipt does not constitute, a legal relationship, including, but not limited to, an accountant-client relationship. Although this information may have been prepared by professionals, it should not be used as a substitute for professional services. If legal, accounting, investment, or other professional advice is required, the services of a professional should be sought.

Assurance, tax, and consulting offered through Moss Adams LLP. Wealth management offered through Moss Adams Wealth Advisors LLC. Investment banking offered through Moss Adams Capital LLC.





**State of New Mexico  
City of Santa Fe**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2024**

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# INTRODUCTORY SECTION



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**State of New Mexico**  
**City of Santa Fe**  
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**State of New Mexico  
City of Santa Fe  
Official Roster  
June 30, 2024**

<u>Name</u>		<u>Title</u>
	<u>Mayor</u>	
Alan M. Webber		Mayor
	<u>City Council</u>	
Signe I. Lindell		Mayor Pro Tem, District 1
Alma Castro		District 1
Carol Romero-Wirth		District 2
Michael Garcia		District 2
Pilar F.H. Faulkner		District 3
Lee Garcia		District 3
Jamie Cassutt		District 4
Amanda Chavez		District 4
	<u>City Manager</u>	
John Blair		City Manager
	<u>Finance Department</u>	
Emily Oster		Finance Director
Alexis Lotero		Assistant Finance Director
Josefa Bolden		Controller
Travis Dutton-Leyda		Chief Procurement Officer
Andrew Hopkins		Budget Officer
Melanie Sharpe		Payroll Officer
Matt Bonifer		Accounting Officer



# FINANCIAL SECTION



## **INDEPENDENT AUDITOR'S REPORT**

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor  
The Office of Management and Budget and  
The Mayor and Members of City Council  
City of Santa Fe  
Santa Fe, New Mexico

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund that has a legally adopted annual budget of the City of Santa Fe, New Mexico (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund that has a legally adopted annual budget of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Emphasis of Matter***

### ***Correction of Error***

As described in Note 2 to the financial statements, the prior year financial statements have been corrected for an error in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 24, the GASB required pension schedules on pages 130 through 133, the GASB required other post-employment benefit schedules on pages 134 through 137, and the notes to the required supplementary information on page 138 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining nonmajor fund financial statements, 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* (Uniform Guidance), and supporting schedules, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining nonmajor fund financial statements, schedule of expenditures of federal awards, and supporting schedules, as identified in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

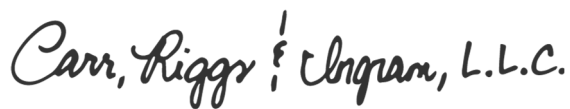
***Other Information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’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 the City’s internal control over financial reporting and compliance.



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

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2024**

As management of the City of Santa Fe (the "City"), we offer readers of the City's financial statements this discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. This analysis is intended to serve as an introduction to the City's basic financial statements and to provide an analytical overview of the City's operations. We encourage readers to consider the information presented here in conjunction with the City's *Basic Financial Statements* starting on page 26, the *Notes to the Financial Statements* starting on page 53, and additional information provided.

**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 \$775,137,665 (net position). The City's net position that is restricted for capital projects and other purposes is \$101,198,694. The City's net investment in capital assets is \$607,474,424. The City has an overall unrestricted net position as of June 30, 2024 of 66,464,547.
- Change in net position for the year ended June 30, 2024 was an increase of \$73,429,635 as a result of operations. The increase is primarily due to an increase in revenues of 7%. Overall the City continues to have a strong financial position, operating reserves, and assets available to provide services to citizens.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$82,043,517 or 65% of total general fund expenditures.
- The City's total debt outstanding at June 30, 2024 is \$208,751,101.

**THE BASIC 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 set of financial statements provides both long-term and short-term views of the City's financial activities and financial position. 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. These statements are reported using the economic resources measurement focus and the accrual basis of accounting, and include the *statement of net position* and the *statement of activities*.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference 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 deteriorating.

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2024**

**THE BASIC FINANCIAL STATEMENTS (Continued)**

The *statement of activities* presents information showing how the government'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).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from those functions that are intended to recover all or a portion of this costs through user fees and charges (*business-type activities*). The governmental activities of the City include basic services such as general government, physical environment (public works), economic environment, public safety, human services (health and welfare), and culture and recreation. The governmental services are supported by general City revenues such as taxes, and by specific program revenues such as fees.

The business-type activities of the City include wastewater management, water management, environmental services, Santa Fe Convention Center, College of Santa Fe, municipal recreation complex, parking, railyard properties, airport, transit system, and Genoveva Chavez Community Center. Unlike governmental services, these services are generally supported by charges paid by users based on the amount of service they use.

The government-wide financial statements are prepared on the accrual basis of accounting that means they include all economic resources of the City as a whole. The government-wide financial statements can be found on pages 26 through 29 of this report.

**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. 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 *governmental funds* with similar information presented for *governmental 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.

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2024**

**THE BASIC FINANCIAL STATEMENTS (Continued)**

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City has four governmental fund types: the general fund, the special revenue funds, capital projects funds, and the debt service funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general fund, community development grants fund, the debt service fund, and the ½% gross receipts tax capital projects fund, which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison schedule has been provided for the general fund and the community development grants fund to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 30 through 39 of this report.

**Proprietary Funds.** Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included on the Statement of Net Position. The City has presented five major proprietary funds within the financial statements: the wastewater management fund, the water management fund, the environmental services fund, the Santa Fe convention center fund, and the College of Santa Fe fund. Data from the other nonmajor proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 40 through 49 of 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 53 through 127 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor proprietary funds, and internal service funds are presented immediately following the Required Supplementary Information. The combining fund financial statements can be found on pages 141 through 189 of this report.

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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 \$775,137,665 at the close of the most recent fiscal year. The City had revenues that exceeded expenditures during the year in the amount of \$73,429,635 which increased net position in the current year as a result of operations.

The City net position reflects its investment in capital assets (e.g., land, buildings, other improvements, and furniture and equipment) less any related debt used to acquire those assets that is still outstanding.

This net position category of \$607,474,424 reflects that the City has more net cost value than debt related to its 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, 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.

**City of Santa Fe's Net Position**

	June 30, 2024			June 30, 2023			Percent Change
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
Governmental Activities							
Current and other assets	\$ 245,853,160	\$ 219,010,620	\$ 464,863,780	\$ 236,500,426	\$ 202,270,896	\$ 438,771,322	5.95%
Net capital assets	369,537,623	428,683,645	798,221,268	372,726,868	414,025,216	786,752,084	1.46%
Total assets	615,390,783	647,694,265	1,263,085,048	609,227,294	616,296,112	1,225,523,406	3.06%
Deferred outflows of resources	45,075,161	12,208,545	57,283,706	27,966,363	8,237,462	36,203,825	58.23%
Total assets and deferred outflows of resources	660,465,944	659,902,810	1,320,368,754	637,193,657	624,533,574	1,261,727,231	4.65%
Current liabilities	63,045,666	26,294,498	89,340,164	64,935,958	25,614,246	90,550,204	-1.34%
Long-term liabilities	257,533,567	144,119,923	401,653,490	238,355,422	147,939,824	386,295,246	3.98%
Total liabilities	320,579,233	170,414,421	490,993,654	303,291,380	173,554,070	476,845,450	2.97%
Deferred inflows of resources	31,569,825	22,667,610	54,237,435	37,264,384	22,552,690	59,817,074	-9.33%
Net investment in capital assets	281,638,552	325,835,872	607,474,424	273,912,597	302,982,075	576,894,672	5.30%
Restricted	101,198,694	-	101,198,694	110,688,906	-	110,688,906	0.00%
Unrestricted (deficit)	(74,520,360)	140,984,907	66,464,547	(87,963,610)	125,444,739	37,481,129	77.33%
Total net position	308,316,886	466,820,779	775,137,665	296,637,893	428,426,814	725,064,707	6.91%
Total liabilities, deferred inflows of resources, and net position	\$ 660,465,944	\$ 659,902,810	\$ 1,320,368,754	\$ 637,193,657	\$ 624,533,574	\$ 1,261,727,231	4.65%

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position**

The City's total revenues of \$372,973,922 and expenses of \$299,544,287 resulted in a change in net position of \$73,429,635 as a result of City operations. Comparative information for changes in net position is shown in the table below.

City of Santa Fe's Change in Net Position

	June 30, 2024			June 30, 2023			Percent Change
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 24,195,869	\$ 92,996,432	\$ 117,192,301	\$ 20,675,776	\$ 84,543,413	\$ 105,219,189	11%
Operating grants and contribution	10,839,935	7,153,428	17,993,363	11,994,382	-	11,994,382	50%
Capital grants and contributions	6,095,022	4,651,829	10,746,851	10,413,480	9,134,268	19,547,748	0%
General revenues							
Gross receipts tax	162,558,672	-	162,558,672	151,575,148	6,504,900	158,080,048	3%
Other taxes	37,077,926	6,976,298	44,054,224	40,648,558	-	40,648,558	8%
Investment income (loss)	9,483,089	7,145,445	16,628,534	7,282,284	3,091,026	10,373,310	0%
Transfers in (out)	(31,541,713)	31,541,713	-	(25,112,088)	25,112,088	-	0%
Other revenues	2,746,030	1,053,947	3,799,977	947,166	788,390	1,735,556	100%
<b>Total revenues</b>	<b>221,454,830</b>	<b>151,519,092</b>	<b>372,973,922</b>	<b>218,424,706</b>	<b>129,174,085</b>	<b>347,598,791</b>	<b>7%</b>
<b>Expenses</b>							
General government	43,179,035	-	43,179,035	35,209,306	-	35,209,306	23%
Public safety	75,724,543	-	75,724,543	50,016,610	-	50,016,610	51%
Public works	29,744,323	-	29,744,323	28,805,328	-	28,805,328	3%
Community development	13,932,038	-	13,932,038	11,493,911	-	11,493,911	21%
Culture and recreation	21,495,260	-	21,495,260	15,467,774	-	15,467,774	39%
Education	3,442,367	-	3,442,367	2,977,713	-	2,977,713	16%
Interest and other charges	1,945,657	-	1,945,657	1,449,353	-	1,449,353	34%
Issuance costs	2,818	-	2,818	2,200	-	2,200	0%
Wastewater management	-	16,040,945	16,040,945	-	14,031,661	14,031,661	14%
Water management	-	35,292,352	35,292,352	-	32,068,295	32,068,295	10%
Environmental services	-	16,726,439	16,726,439	-	15,799,354	15,799,354	6%
College of Santa Fe	-	4,887,953	4,887,953	-	5,263,948	5,263,948	-7%
Santa Fe Convention Center	-	5,911,145	5,911,145	-	5,363,427	5,363,427	10%
All other proprietary funds	-	31,219,412	31,219,412	-	25,789,748	25,789,748	21%
<b>Total expenses</b>	<b>189,466,041</b>	<b>110,078,246</b>	<b>299,544,287</b>	<b>145,422,195</b>	<b>98,316,433</b>	<b>243,738,628</b>	<b>23%</b>
<b>Increase in net position</b>	<b>31,988,789</b>	<b>41,440,846</b>	<b>73,429,635</b>	<b>73,002,511</b>	<b>30,857,652</b>	<b>103,860,163</b>	<b>-29%</b>
<b>Net position - beginning of year, as originally reported</b>							
	296,637,893	428,426,814	725,064,707	223,635,382	397,569,162	621,204,544	17%
<b>Net position - error corrections</b>							
	(20,309,796)	(3,046,881)	(23,356,677)	-	-	-	100%
<b>Net position - beginning of year, after corrections</b>							
	276,328,097	425,379,933	701,708,030	223,635,382	397,569,162	621,204,544	13%
<b>Net position - ending</b>							
	\$ 308,316,886	\$ 466,820,779	\$ 775,137,665	\$ 296,637,893	\$ 428,426,814	\$ 725,064,707	7%

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
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**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable 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 end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$188,205,037, an increase of \$6,099,428 in comparison with the prior year. Approximately 42.2 percent of this total amount, \$79,459,384, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, or assigned for other purposes to indicate that it is not available for new spending.

The general fund is the main governmental operating fund of the City. Its total fund balance for the fiscal year-ended June 30, 2024, was approximately \$83.4 million as compared to \$76.5 million at the prior year-end, amounting to a net \$6.9 million increase. Two measures of the General Fund's liquidity are: (1) the percent of total fund balance as a percent of expenditures and (2) the spendable/unrestricted fund balance as a percent of expenditures. The total fund balance was 65.8 percent of expenditures and the spendable/unrestricted component was 64.7 percent of expenditures. The unassigned fund balance represents 64.7 percent of the total general fund expenditures or approximately 7 months of operating equity.

**BUDGETARY HIGHLIGHTS**

The overall City financial picture as of June 30, 2024 is a bit more optimistic than expected when the FY24 budget was adopted in the spring of 2023. The largest single source of revenue to the City is Gross Receipts Tax (GRT), which represents 31% of the City's total operating revenue budget. As of the fourth quarter of FY24, GRT ended up approximately 13% over budget, and this figure reflects a 7.25% increase over the FY23 GRT number. This performance, while reflecting a positive development, reflects the trend staff have noted in previous GRT disbursements of FY24, wherein the annual GRT growth curve seen in the previous few years has appeared to be tapering off or flattening. The Finance Department will continue to monitor these trends as the FY25 GRT earnings numbers come in, and will revise future earnings estimates accordingly. As for the remainder of the revenue picture, other major items such as Property Tax, Lodgers' Tax, Gasoline Tax, Licenses/Permits and Utility Fees have also performed above budgeted estimates, though some categories such as Franchise Fees, Ambulance Fees, and Fines & Forfeitures ended up underperforming in FY24. Overall, however, the revenue picture is a positive one, with total overall revenues coming in at 1% over budget. On the expenditure side, we have seen the trend continue from past years, wherein major expense categories such as Contractual Services, Repairs & Maintenance, Supplies and Travel/Training ended the year well under budget. Overall expenses came in at 15% below budgeted levels at the end of FY24.

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**BUDGETARY HIGHLIGHTS (Continued)**

The revenue and expenditure situation for the General Fund is quite similar to the overall picture, with GRT coming in at approximately 14% over budget, or 7.25% over the previous fiscal year. Some other revenue categories such as Property Taxes, Other Taxes, Licenses & Permits, Recreation Fees, and Other Fees & Services performed significantly better than expected, while some others, including Franchise Fees, Ambulance Fees, Planning/Land Use Fees and Fines & Forfeitures came in below budgeted estimates (note: the large negative variance for Miscellaneous Revenues is attributable to reimbursements and refunds from various other categories). Overall General Fund revenues came in at 11% over budget for the fiscal year. Meanwhile, expenditure trends in the General Fund are largely similar to those seen in the all funds arena, with major categories such as Contractual, Repairs & Maintenance, Supplies, and Travel/Training expected to come in well under budget, and only one category (Utilities) projected to come in appreciably over budget. Overall, General Fund expenditures ended the fiscal year at 10% below budget for FY24.

**ADMINISTRATION OF CAPITAL ASSETS AND DEBT**

***Capital Assets***

The City’s investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$369,537,623 for governmental activities and \$428,683,645 for business-type activities (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, right of way, art, buildings and structures, improvements, equipment and machinery, furniture and fixtures, vehicles, data processing and software, traffic signals, streets, right-to-use assets- equipment, and right-to-use assets- subscriptions. The tables below show the summarized capital assets of the City as of June 30, 2024.

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**ADMINISTRATION OF CAPITAL ASSETS AND DEBT (Continued)**

<b>Governmental Activities Asset Description</b>	<b>Carrying Amount</b>	<b>Accumulated Depreciation</b>	<b>Net Position Balance</b>
Capital assets not being depreciated			
Land	\$ 172,049,821	\$ -	\$ 172,049,821
Construction in progress	51,504,017	-	51,504,017
Right of Way	78,281	-	78,281
Art	885,046	-	885,046
<b>Total capital assets not being depreciated</b>	<b>224,517,165</b>	<b>-</b>	<b>224,517,165</b>
Capital assets being depreciated			
Buildings and Structures	78,369,741	30,402,468	47,967,273
Improvements	108,912,522	90,097,916	18,814,606
Equipment and Machinery	27,330,715	17,614,027	9,716,688
Furniture and Fixtures	1,374,496	563,599	810,897
Vehicle	43,685,391	26,324,700	17,360,691
Data Processing and Software	15,295,940	10,618,140	4,677,800
Traffic Signals	23,683,156	23,477,191	205,965
Streets and bridges	234,596,117	190,767,274	43,828,843
Right of use asset- equipment	208,498	75,093	133,405
Right of use asset- subscriptions	5,281,899	3,777,609	1,504,290
<b>Total capital assets being depreciated</b>	<b>538,738,475</b>	<b>393,718,017</b>	<b>145,020,458</b>
<b>Total capital assets</b>	<b>\$ 763,255,640</b>	<b>\$ 393,718,017</b>	<b>\$ 369,537,623</b>

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**ADMINISTRATION OF CAPITAL ASSETS AND DEBT (Continued)**

<b>Business-type Activities Asset Description</b>	<b>Carrying Amount</b>	<b>Accumulated Depreciation</b>	<b>Net Position Balance</b>
Capital assets not being depreciated			
Land	\$ 38,260,558	\$ -	\$ 38,260,558
Water Rights	3,434,979	-	3,434,979
Construction in progress	66,254,459	-	66,254,459
Art	219,971	-	219,971
<b>Total capital assets not being depreciated</b>	<b>108,169,967</b>	<b>-</b>	<b>108,169,967</b>
Capital assets being depreciated			
Buildings and Structures	334,841,747	128,905,092	205,936,655
Improvements	155,706,129	150,194,382	5,511,747
Sewerlines and Utility Systems	203,888,063	116,606,026	87,282,037
Equipment and Machinery	21,761,349	20,642,247	1,119,102
Furniture and Fixtures	805,807	647,326	158,481
Vehicles	43,184,150	31,429,620	11,754,530
Data Processing and Software	2,570,249	2,478,689	91,560
Streets	8,563,898	-	8,563,898
Right of use asset- equipment	335,951	240,283	95,668
Right of use asset- subscriptions	-	-	-
<b>Total capital assets being depreciated</b>	<b>771,657,343</b>	<b>451,143,665</b>	<b>320,513,678</b>
<b>Total capital assets</b>	<b>\$ 879,827,310</b>	<b>\$ 451,143,665</b>	<b>\$ 428,683,645</b>

Additional information on the City's capital assets can be found in Note 7 on page 87 through 90 of this report.

**Long-Term Debt**

At the end of the current fiscal year, the City had the following long-term debt outstanding.

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 13,860,000	\$ 15,250,000	\$ -	\$ -	\$ 13,860,000	\$ 15,250,000
Revenue bonds/loans	50,140,500	56,674,300	69,617,198	74,170,000	119,757,698	130,844,300
Other loans/notes payable	17,237,218	16,648,257	26,069,398	28,639,328	43,306,616	45,287,585
Bond premiums	4,658,032	5,830,235	6,902,355	7,760,043	11,560,387	13,590,278
Compensated absences	6,074,185	5,175,409	2,025,432	1,929,534	8,099,617	7,104,943
Lease and subscription liabilities	1,247,498	3,261,314	100,890	222,986	1,348,388	3,484,300
Claims payable	10,818,395	10,417,341	-	-	10,818,395	10,417,341
<b>Total long-term debt</b>	<b>\$ 104,035,828</b>	<b>\$ 113,256,856</b>	<b>\$ 104,715,273</b>	<b>\$ 112,721,891</b>	<b>\$ 208,751,101</b>	<b>\$ 225,978,747</b>

Additional information on the City's debt can be found in Note 8 on page 91 through 104 of this report.

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**ECONOMIC FACTORS AND THE FISCAL YEAR 2025 ADOPTED BUDGET**

Like other communities around the nation, the City of Santa Fe had to quickly adapt to rapidly changing situations as the pandemic situation evolved. The City has continued to adapt to hybrid work formats and continued its efforts in working together with community counterparts. The City focused significant efforts in employee retention and recruitment, including the completion of a compensation and classification study and the implementation of a new pay plan during FY24.

A driving force in developing our budget each year is the estimation of City revenues. Gross Receipts Tax (GRT) accounts for 71.6% of the total FY25 General Fund budgeted revenues. The remaining General Fund revenues are comprised primarily of property taxes, franchise fees, licenses and permits, and fees and service charges.

Regarding the future outlook, our guidance for FY25 budget development was to begin with the FY24 adopted budget, less one-time items. The adopted FY25 budget includes a 3% adjustment in salaries and salary-dependent benefits for all employees, which increased reoccurring expense by \$4.1 million dollars. Projected revenues remained in line with the City's financial policy goal to maintain reserves of at least double the amount required by the State of New Mexico Department of Finance and Administration. The State requires that one-twelfth of General Fund revised-budgeted expenditures be maintained as a cash reserve.

The overall City adopted FY25 expenditure budget is \$440.1 million as compared to FY21 adopted expenditures of \$291.5 million. Overall City budgeted revenues for FY25 were \$448.4 million as compared to FY21 adopted revenues of \$334 million.

Looking ahead, early FY25 data suggests that while GRT revenues are stabilizing, inflationary pressures and labor market constraints could pose challenges. With national unemployment creeping toward 4.5% and local labor force participation slowing, Santa Fe will face a moderation in job growth through FY25. This aligns with broader economic projections of a decelerating U.S. GDP, which is expected to slow from 2.7% in 2024 to 1.3% by 2026. Concurrently, consumer spending, a key driver of GRT, is projected to cool as inflationary pressures ease but household prudence grows, particularly among lower-income groups. These factors may temper revenue growth and necessitate careful fiscal planning to sustain long-term financial stability for many municipalities. For Santa Fe, this will be offset by continued population growth and expansion of the city as a regional center, which will continue to attract businesses that boost GRT revenue growth.

By FY26, Santa Fe's economic landscape may reflect broader macroeconomic shifts due to the election transition, including tariff-induced inflationary pressures and potential federal policy changes. CPI inflation is expected to rise slightly to 2.5% by late 2026, and cautious hiring practices could keep unemployment elevated. Nevertheless, Santa Fe's diversified revenue streams and strong fiscal management position the city to weather potential downturns.

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**ECONOMIC FACTORS AND THE FISCAL YEAR 2025 ADOPTED BUDGET (Continued)**

Strategic adjustments to expenditure forecasts and proactive monitoring of GRT trends will be essential in ensuring balanced budgets and stable service delivery amid evolving economic conditions. Property Tax revenue and Lodger's Tax revenues are expected to continue to steadily increase, driven by strong anticipated performance from the luxury tourism sector and increasing property values.

**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 information should be addressed to City of Santa Fe, Finance Director, P.O. Box 909, City of Santa Fe, NM 87504.



# BASIC FINANCIAL STATEMENTS



**State of New Mexico**  
**City of Santa Fe**  
**Statement of Net Position**

<b>June 30, 2024</b>	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Current assets			
Cash, cash equivalents, and investments	\$ 195,786,900	\$ 175,982,895	\$ 371,769,795
Receivables			
Taxes	32,587,112	1,260,032	33,847,144
Intergovernmental	7,441,335	7,827,411	15,268,746
Customer, net	-	14,540,722	14,540,722
Other	4,537,814	1,398,490	5,936,304
Leases receivable, current	321,338	475,980	797,318
Inventory	91,493	687,534	779,027
Prepaid expenses	-	511,114	511,114
Internal balances	(640,265)	640,265	-
Total current assets	240,125,727	203,324,443	443,450,170
Noncurrent assets			
Restricted cash, cash equivalents, and investments	2,339,710	1,496,219	3,835,929
Leases receivable, net of current portion	3,387,723	14,189,958	17,577,681
Capital assets not being depreciated	224,517,165	108,169,967	332,687,132
Capital assets being depreciated	533,248,078	771,321,392	1,304,569,470
Right-to-use assets - leases	208,498	335,951	544,449
Right-to-use assets - subscriptions	5,281,899	-	5,281,899
Accumulated amortization - leases	(75,093)	(240,283)	(315,376)
Accumulated amortization - subscriptions	(3,777,609)	-	(3,777,609)
Accumulated depreciation	(389,865,315)	(450,903,382)	(840,768,697)
Total noncurrent assets	375,265,056	444,369,822	819,634,878
Total assets	615,390,783	647,694,265	1,263,085,048
<b>Deferred outflows of resources</b>			
Deferred outflows - pension	38,246,123	10,218,227	48,464,350
Deferred outflows - OPEB	6,829,038	1,990,318	8,819,356
Total deferred outflows of resources	45,075,161	12,208,545	57,283,706
Total assets and deferred outflows of resources	\$ 660,465,944	\$ 659,902,810	\$ 1,320,368,754

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

June 30, 2024	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 17,232,266	\$ 11,195,295	\$ 28,427,561
Accrued payroll	4,537,801	1,260,837	5,798,638
Due to other governments	18,166	445,172	463,338
Unearned revenue	9,259,901	631,672	9,891,573
Deposits held in trust for others	6,994,185	2,854,033	9,848,218
Other current liabilities	708,830	1,185,691	1,894,521
Accrued interest payable	471,076	304,209	775,285
Claims and judgments	10,818,395	-	10,818,395
Lease liabilities, due within one year	35,857	84,098	119,955
Subscription liabilities, due within one year	1,089,164	-	1,089,164
Long term liabilities, due within one year	11,880,025	8,333,491	20,213,516
<b>Total current liabilities</b>	<b>63,045,666</b>	<b>26,294,498</b>	<b>89,340,164</b>
Noncurrent liabilities			
Net pension liability	158,898,699	42,453,010	201,351,709
Net OPEB liability	18,422,481	5,369,229	23,791,710
Lease liabilities, due in more than one year	99,666	16,792	116,458
Subscription liabilities, due in more than one year	22,811	-	22,811
Long term liabilities, due in more than one year	80,089,910	96,280,892	176,370,802
<b>Total noncurrent liabilities</b>	<b>257,533,567</b>	<b>144,119,923</b>	<b>401,653,490</b>
<b>Total liabilities</b>	<b>320,579,233</b>	<b>170,414,421</b>	<b>490,993,654</b>
<b>Deferred inflows of resources</b>			
Deferred inflows - unamortized gain on refund of bo	755,823	157,932	913,755
Deferred inflows - leases	3,582,081	14,630,046	18,212,127
Deferred inflows - pension	2,351,530	628,257	2,979,787
Deferred inflows - OPEB	24,880,391	7,251,375	32,131,766
<b>Total deferred inflows of resources</b>	<b>31,569,825</b>	<b>22,667,610</b>	<b>54,237,435</b>
<b>Net position</b>			
Net investment in capital assets	281,638,552	325,835,872	607,474,424
Restricted for			
Debt service	3,355,201	-	3,355,201
Capital projects	20,404,301	-	20,404,301
Special revenue	77,439,192	-	77,439,192
Unrestricted (deficit)	(74,520,360)	140,984,907	66,464,547
<b>Total net position</b>	<b>308,316,886</b>	<b>466,820,779</b>	<b>775,137,665</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 660,465,944</b>	<b>\$ 659,902,810</b>	<b>\$ 1,320,368,754</b>

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

**State of New Mexico  
City of Santa Fe  
Statement of Activities**

<b>For the Year Ended June 30, 2024</b>		<b>Program Revenues</b>		
<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary Government</b>				
<b>Governmental activities</b>				
General government	\$ 43,179,035	\$ 15,236,389	\$ -	\$ 21,763
Public safety	75,724,543	607,315	3,376,163	-
Public works	29,744,323	6,466,695	439,116	4,946,695
Culture and recreation	13,932,038	89,938	303,941	814,026
Community development	21,495,260	1,795,532	6,720,715	312,538
Education	3,442,367	-	-	-
Interest and other charges	1,945,657	-	-	-
Issuance costs	2,818	-	-	-
<b>Total governmental activities</b>	<b>189,466,041</b>	<b>24,195,869</b>	<b>10,839,935</b>	<b>6,095,022</b>
<b>Business-type activities</b>				
Wastewater management	16,040,945	16,082,001	-	-
Water management	35,292,352	44,389,948	-	-
Santa Fe Convention Center	5,911,145	587,399	-	-
College of Santa Fe	4,887,953	1,756,500	-	-
Environmental services	16,726,439	16,748,393	26,303	-
Municipal recreation complex	3,775,348	1,580,516	-	-
Parking	5,571,419	5,017,581	-	-
Railyard properties	1,703,312	1,142,533	-	-
Airport	6,383,728	2,535,810	1,788,246	4,120,219
Transit system	8,950,745	1,615,522	5,338,879	531,610
Genoveva Chavez Community Center	4,834,860	1,540,229	-	-
<b>Total business-type activities</b>	<b>110,078,246</b>	<b>92,996,432</b>	<b>7,153,428</b>	<b>4,651,829</b>
<b>Total primary government</b>	<b>\$ 299,544,287</b>	<b>\$ 117,192,301</b>	<b>\$ 17,993,363</b>	<b>\$ 10,746,851</b>
<b>General revenues and transfers</b>				
Taxes				
Gross receipts				
Lodgers'				
Property				
Other				
Lease revenue				
Investment income				
Other revenues				
Gain from sale of assets				
Transfers				
<b>Total general revenues and transfers</b>				
<b>Change in net position</b>				
Net position - beginning of year, as originally reported				
Net position - error corrections (note 2)				
<b>Net position - beginning of year, after corrections</b>				
<b>Net position - end of year</b>				

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

**Net (Expense) Revenue and Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (27,920,883)	\$ -	\$ (27,920,883)
(71,741,065)	-	(71,741,065)
(17,891,817)	-	(17,891,817)
(12,724,133)	-	(12,724,133)
(12,666,475)	-	(12,666,475)
(3,442,367)	-	(3,442,367)
(1,945,657)	-	(1,945,657)
(2,818)	-	(2,818)
(148,335,215)	-	(148,335,215)
-	41,056	41,056
-	9,097,596	9,097,596
-	(5,323,746)	(5,323,746)
-	(3,131,453)	(3,131,453)
-	48,257	48,257
-	(2,194,832)	(2,194,832)
-	(553,838)	(553,838)
-	(560,779)	(560,779)
-	2,060,547	2,060,547
-	(1,464,734)	(1,464,734)
-	(3,294,631)	(3,294,631)
-	(5,276,557)	(5,276,557)
(148,335,215)	(5,276,557)	(153,611,772)
162,558,672	-	162,558,672
16,229,164	6,976,298	23,205,462
12,622,445	-	12,622,445
8,226,317	-	8,226,317
213,258	591,293	804,551
9,483,089	7,145,445	16,628,534
1,967,166	460,404	2,427,570
565,606	2,250	567,856
(31,541,713)	31,541,713	-
180,324,004	46,717,403	227,041,407
31,988,789	41,440,846	73,429,635
296,637,893	428,426,814	725,064,707
(20,309,796)	(3,046,881)	(23,356,677)
276,328,097	425,379,933	701,708,030
\$ 308,316,886	\$ 466,820,779	\$ 775,137,665

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

**State of New Mexico**  
**City of Santa Fe**  
**Balance Sheet - Governmental Funds**

<b>June 30, 2024</b>	<b>General Fund</b>	<b>Community Development Grants Fund</b>
<b>Assets</b>		
Cash, cash equivalents, and investments	\$ 73,342,856	\$ 15,292,484
Receivables		
Taxes	20,185,256	247,020
Intergovernmental	3,309,627	588,354
Other, net	793,735	-
Leases	-	-
Inventory	73,408	-
Due from other funds	3,324,162	689,978
<b>Total assets</b>	<b>\$ 101,029,044</b>	<b>\$ 16,817,836</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 4,603,870	\$ 1,712,666
Accrued payroll	3,936,111	-
Due to other governments	16,208	-
Unearned revenue	-	8,692,811
Deposits held in trust for others	6,357,309	612,091
Other current liabilities	650,031	-
Due to other funds	1,437,063	1,529
<b>Total liabilities</b>	<b>17,000,592</b>	<b>11,019,097</b>
<b>Deferred inflows of resources</b>		
Unavailable revenue - leases	-	-
Unavailable revenue - property taxes	544,244	-
Unavailable revenue - other	88,833	-
<b>Total deferred inflows of resources</b>	<b>633,077</b>	<b>-</b>
<b>Fund balances</b>		
Nonspendable	73,408	-
Spendable		
Restricted	-	5,798,739
Assigned	1,278,450	-
Unassigned (deficit)	82,043,517	-
<b>Total fund balances</b>	<b>83,395,375</b>	<b>5,798,739</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 101,029,044</b>	<b>\$ 16,817,836</b>

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

<b>1/2% Gross Receipts Tax Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 10,312,471	\$ 3,125,559	\$ 82,053,558	\$ 184,126,928
5,040,132	164,686	6,950,018	32,587,112
-	-	3,543,354	7,441,335
-	5,021	2,692,504	3,491,260
-	-	3,709,061	3,709,061
-	-	-	73,408
707,753	-	15,903,768	20,625,661
<b>\$ 16,060,356</b>	<b>\$ 3,295,266</b>	<b>\$ 114,852,263</b>	<b>\$ 252,054,765</b>
\$ 307,788	\$ -	\$ 8,137,911	\$ 14,762,235
45,901	-	356,771	4,338,783
-	955	-	17,163
-	-	567,090	9,259,901
-	-	24,785	6,994,185
14,167	-	44,632	708,830
18,247,219	-	1,580,115	21,265,926
<b>18,615,075</b>	<b>955</b>	<b>10,711,304</b>	<b>57,347,023</b>
-	-	3,582,081	3,582,081
-	116,623	-	660,867
-	-	2,170,924	2,259,757
-	116,623	5,753,005	6,502,705
-	-	-	73,408
-	3,177,688	98,417,368	107,393,795
-	-	-	1,278,450
(2,554,719)	-	(29,414)	79,459,384
<b>(2,554,719)</b>	<b>3,177,688</b>	<b>98,387,954</b>	<b>188,205,037</b>
<b>\$ 16,060,356</b>	<b>\$ 3,295,266</b>	<b>\$ 114,852,263</b>	<b>\$ 252,054,765</b>

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

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**State of New Mexico**  
**City of Santa Fe**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Statement of Net Position**

**June 30, 2024**

Fund balances - total governmental funds	\$ 188,205,037
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	364,441,323
Right to use assets, net of accumulated amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,135,832
Internal service funds are used by management to charge the costs of activities, such as insurance, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in governmental activities in the statement of net position	(3,839,478)
Delinquent items not collected within sixty days after year end are not considered "available" revenues and are considered to be unavailable revenue in the fund financial statements, but are considered revenue in the statement of activities	
Delinquent property taxes	660,867
Liquor licenses	88,833
Land sales	2,170,924
Deferred outflows and inflows of resources related to pensions, OPEB, and long-term debt are applicable to future periods and, therefore, are not reported in funds	
Deferred outflows - pension	36,170,904
Deferred inflows - pension	(2,223,937)
Deferred outflows - OPEB	6,420,671
Deferred inflows - OPEB	(23,392,576)
Deferred inflows - unamortized gain on refunding of bonds	(755,823)
Liabilities, including accrued interest, accrued compensated absences, bonds payable, loans payable, net pension liability, net OPEB liability, and subscription liabilities are not due and payable in the current period and, therefore, are not reported in the funds	
Accrued interest	(471,076)
Current portion of accrued compensated absences	(1,859,680)
Long term accrued compensated absences	(3,866,750)
Current portion of subscription liabilities	(939,152)
Current portion of lease liabilities	(35,857)
Long term portion of lease liabilities	(99,666)
Current portion of long term debt payable	(9,899,379)
Long term portion of long term debt payable	(75,996,371)
Net pension liability	(150,276,920)
Net OPEB Liability	(17,320,840)
Net position - governmental activities	\$ 308,316,886

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

**State of New Mexico**  
**City of Santa Fe**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Governmental Funds**

<b>For the year ended June 30, 2024</b>	<b>General Fund</b>	<b>Community Development Grants Fund</b>
<b>Revenues</b>		
Taxes		
Gross receipts	\$ 106,133,722	\$ 1,367,573
Lodgers'	-	-
Property	10,270,979	-
Other	6,540,694	-
Intergovernmental		
Federal operating	-	5,565,429
State operating	-	30,115
State capital	-	-
Local	-	-
Lease revenue	-	-
Charges for services	15,224,389	1,608,969
Investment income (loss)	3,367,284	543,656
Other revenues	1,357,383	-
<b>Total revenues</b>	<b>142,894,451</b>	<b>9,115,742</b>
<b>Expenditures</b>		
Current		
General government	21,436,506	-
Public safety	64,027,814	-
Public works	19,717,380	-
Community development	2,098,436	13,485,824
Education	3,321,337	-
Culture and recreation	4,816,882	-
Capital outlay	11,245,330	-
Debt service		
Principal payments	87,723	-
Interest	2,116	-
Debt issuance costs	-	-
<b>Total expenditures</b>	<b>126,753,524</b>	<b>13,485,824</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>16,140,927</b>	<b>(4,370,082)</b>
<b>Other financing sources (uses)</b>		
Proceeds from sale of assets	-	253,193
Proceeds from software subscriptions	-	-
Transfers in	3,545,419	587,810
Transfers (out)	(12,741,913)	(105,027)
<b>Total other financing sources (uses)</b>	<b>(9,196,494)</b>	<b>735,976</b>
<b>Net change in fund balances</b>	<b>6,944,433</b>	<b>(3,634,106)</b>
<b>Fund balances - beginning of year</b>	<b>76,450,942</b>	<b>9,432,845</b>
<b>Fund balances - end of year</b>	<b>\$ 83,395,375</b>	<b>\$ 5,798,739</b>

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

<b>1/2% Gross Receipts Tax Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 27,905,189	\$ -	\$ 27,152,188	\$ 162,558,672
-	-	16,229,164	16,229,164
-	2,231,670	-	12,502,649
-	-	1,685,623	8,226,317
-	-	1,109,363	6,674,792
-	-	4,135,028	4,165,143
-	-	6,095,022	6,095,022
-	-	20,487	20,487
-	-	213,258	213,258
-	-	7,350,511	24,183,869
1,174,399	59,274	3,814,900	8,959,513
-	-	589,297	1,946,680
<b>29,079,588</b>	<b>2,290,944</b>	<b>68,394,841</b>	<b>251,775,566</b>
4,023,036	22,317	13,081,892	38,563,751
-	-	6,332,023	70,359,837
-	-	1,771,942	21,489,322
-	-	5,147,177	20,731,437
-	-	-	3,321,337
-	-	4,721,845	9,538,727
522,288	-	20,554,120	32,321,738
-	8,043,201	1,759,271	9,890,195
-	3,210,687	360,289	3,573,092
-	2,818	-	2,818
<b>4,545,324</b>	<b>11,279,023</b>	<b>53,728,559</b>	<b>209,792,254</b>
<b>24,534,264</b>	<b>(8,988,079)</b>	<b>14,666,282</b>	<b>41,983,312</b>
-	-	457,829	711,022
-	-	168,286	168,286
1,053,565	10,394,068	22,447,612	38,028,474
(22,588,531)	-	(39,356,195)	(74,791,666)
<b>(21,534,966)</b>	<b>10,394,068</b>	<b>(16,282,468)</b>	<b>(35,883,884)</b>
2,999,298	1,405,989	(1,616,186)	6,099,428
(5,554,017)	1,771,699	100,004,140	182,105,609
<b>\$ (2,554,719)</b>	<b>\$ 3,177,688</b>	<b>\$ 98,387,954</b>	<b>\$ 188,205,037</b>

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

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**State of New Mexico**  
**City of Santa Fe**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances - Governmental Funds to the Statement of Activities**

**For the Year Ended June 30, 2024**

Net change in fund balances - total governmental funds	\$ 6,099,428
Amounts reported for governmental activities in the statement of activities are different because	
Change in net position of the internal service funds, which are presented in the statement of activities as governmental activities but are not presented with the governmental fund financial statements	5,589,967
Governmental 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 reported as depreciation expense	
Capital expenditures - governmental funds	32,321,738
Depreciation expense	(15,375,003)
Amortization of right-to-use assets	(1,002,427)
Capital asset disposals	(145,416)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds	
Change in unavailable revenue related to property taxes receivable	119,796
Change in unavailable revenue related to liquor licenses	12,000
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 and OPEB expense	
Contributions subsequent to the measurement date - pension	8,426,152
Pension expense	(20,998,516)
Contributions subsequent to the measurement date - OPEB	1,281,012
OPEB benefit	5,239,881
The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of 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	
Increase in accrued compensated absences	(929,167)
Decrease in accrued interest	60,890
Proceeds from new leases	(168,286)
Principal payments on debt payable	8,816,156
Principal payments on subscription liabilities	1,041,276
Principal payments on lease liabilities	32,763
Amortization of deferred loss on extinguishment of debt	394,342
Amortization of bond premiums and deferred debt items	1,172,203
Change in net position of governmental activities	\$ 31,988,789

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

**State of New Mexico**  
**City of Santa Fe**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Budgetary Basis) and Actual**  
**General Fund**

<b>For the Year Ended June 30, 2024</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Taxes				
Gross receipts	\$ 91,660,137	\$ 92,885,727	\$ 106,133,722	\$ 13,247,995
Property	9,092,019	9,198,395	10,270,979	1,072,584
Other	7,075,604	7,075,604	6,540,694	(534,910)
Charges for services	19,149,594	19,749,594	15,224,389	(4,525,205)
Investment income (loss)	-	-	3,367,284	3,367,284
Other revenues	285,000	285,000	1,357,383	1,072,383
<b>Total revenues</b>	<b>127,262,354</b>	<b>129,194,320</b>	<b>142,894,451</b>	<b>13,700,131</b>
<b>Expenditures</b>				
Current				
General government	24,982,115	29,052,096	21,436,506	7,615,590
Public safety	57,093,519	65,319,786	64,027,814	1,291,972
Public works	30,190,505	33,107,087	19,717,380	13,389,707
Community development	2,245,475	2,231,412	2,098,436	132,976
Culture and recreation	11,000,912	11,110,160	8,138,219	2,971,941
Capital outlay	45,376	39,341	11,245,330	(11,205,989)
<b>Total expenditures</b>	<b>125,557,902</b>	<b>140,859,882</b>	<b>126,753,524</b>	<b>14,106,358</b>
Excess (deficiency) of revenues over expenditures	1,704,452	(11,665,562)	16,140,927	27,806,489
<b>Other financing sources (uses)</b>				
Designated cash (budgeted cash increase)	6,900,000	22,213,968	-	(22,213,968)
Proceeds from sale of assets	-	-	-	-
Transfers in	2,512,078	3,545,419	3,545,419	-
Transfers (out)	(11,116,530)	(14,093,825)	(12,741,913)	1,351,912
<b>Total other financing sources (uses)</b>	<b>(1,704,452)</b>	<b>11,665,562</b>	<b>(9,196,494)</b>	<b>(20,862,056)</b>
Net change in fund balances	-	-	6,944,433	6,944,433
Fund balances - beginning of year	-	-	76,450,942	76,450,942
Fund balances - end of year	\$ -	\$ -	\$ 83,395,375	\$ 83,395,375

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

**State of New Mexico**  
**City of Santa Fe**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget (GAAP Budgetary Basis) and Actual**  
**Community Development Block Grant Fund**

<b>For the Year Ended June 30, 2024</b>	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Taxes				
Gross receipts	\$ 1,181,001	\$ 1,181,001	\$ 1,367,573	\$ 186,572
Intergovernmental				
Federal operating grants	1,614,151	14,426,524	5,565,429	(8,861,095)
State operating grants	-	36,864	30,115	(6,749)
Charges for services	789,155	789,155	1,608,969	819,814
Investment income (loss)	-	-	543,656	543,656
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>3,584,307</b>	<b>16,433,544</b>	<b>9,115,742</b>	<b>(7,317,802)</b>
<b>Expenditures</b>				
Current				
Community development	7,571,313	26,092,144	13,485,824	12,606,320
<b>Total expenditures</b>	<b>7,571,313</b>	<b>26,092,144</b>	<b>13,485,824</b>	<b>12,606,320</b>
Excess (deficiency) of revenues over expenditures	(3,987,006)	(9,658,600)	(4,370,082)	5,288,518
<b>Other financing sources (uses)</b>				
Designated cash (budgeted cash increase)	3,380,910	9,157,532	-	(9,157,532)
Proceeds from sale of assets	18,286	18,285	253,193	234,908
Transfers in	587,810	587,810	587,810	-
Transfers (out)	-	(105,027)	(105,027)	-
<b>Total other financing sources (uses)</b>	<b>3,987,006</b>	<b>9,658,600</b>	<b>735,976</b>	<b>(8,922,624)</b>
Net change in fund balances	-	-	(3,634,106)	(3,634,106)
Fund balances - beginning of year	-	-	9,432,845	9,432,845
<b>Fund balances - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,798,739</b>	<b>\$ 5,798,739</b>

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

**State of New Mexico**  
**City of Santa Fe**  
**Statement of Net Position - Enterprise Funds**

<b>June 30, 2024</b>	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Waste Water Management</b>	<b>Water Management</b>	<b>Environmental Services</b>
<b>Assets</b>			
Current assets			
Cash, cash equivalents, and investments	\$ 38,579,649	\$ 77,772,104	\$ 29,118,669
Receivables			
Taxes	630,016	-	630,016
Intergovernmental	-	-	-
Customer, net	2,029,953	8,660,996	1,973,039
Other	1,990	69,800	1,444
Prepaid expenses	-	511,114	-
Due from other funds	94,053	-	585,447
Lease receivable	-	109,004	-
Inventory	-	687,534	-
Total current assets	41,335,661	87,810,552	32,308,615
Noncurrent assets			
Leases receivable, less current portion	-	1,697,595	-
Capital assets not being depreciated	18,962,412	17,448,438	431,890
Capital assets being depreciated	121,766,997	331,435,587	22,579,236
Right-to-use lease assets - leases	-	-	-
Right-to-use lease assets - subscriptions	-	-	-
Accumulated amortization - leases	-	-	-
Accumulated amortization - subscriptions	-	-	-
Accumulated depreciation	(87,785,543)	(182,322,417)	(15,683,872)
Total capital assets, net accumulated depreciation	52,943,866	166,561,608	7,327,254
Total noncurrent assets	52,943,866	168,259,203	7,327,254
Total assets	94,279,527	256,069,755	39,635,869
Deferred outflows of resources			
Deferred outflows - pension	1,665,749	2,731,208	1,775,795
Deferred outflows - OPEB	330,522	534,433	350,157
Total deferred outflows of resources	1,996,271	3,265,641	2,125,952
Total assets and deferred outflows of resources	\$ 96,275,798	\$ 259,335,396	\$ 41,761,821

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

Business-type Activities - Enterprise Funds				Governmental
Santa Fe	College of Santa	Nonmajor	Total	Internal Service
Convention	Fe	Enterprise		Funds
Center		Funds		
\$ 10,948,803	\$ 2,335,492	\$ 18,724,397	\$ 177,479,114	\$ 13,999,682
-	-	-	1,260,032	-
-	-	7,827,411	7,827,411	-
-	-	1,876,734	14,540,722	-
-	2	1,325,254	1,398,490	1,046,554
-	-	-	511,114	-
-	-	-	679,500	-
26,503	-	340,473	475,980	-
-	-	-	687,534	18,085
<u>10,975,306</u>	<u>2,335,494</u>	<u>30,094,269</u>	<u>204,859,897</u>	<u>15,064,321</u>
358,588	-	12,133,775	14,189,958	-
71,499	11,873,388	59,382,340	108,169,967	484,083
50,498,489	42,950,541	202,090,542	771,321,392	4,758,968
-	-	335,951	335,951	-
-	-	-	-	2,379,261
-	-	(240,283)	(240,283)	-
-	-	-	-	(1,842,517)
<u>(18,700,724)</u>	<u>(19,564,500)</u>	<u>(126,846,326)</u>	<u>(450,903,382)</u>	<u>(1,819,327)</u>
<u>31,869,264</u>	<u>35,259,429</u>	<u>134,722,224</u>	<u>428,683,645</u>	<u>3,960,468</u>
<u>32,227,852</u>	<u>35,259,429</u>	<u>146,855,999</u>	<u>442,873,603</u>	<u>3,960,468</u>
<u>43,203,158</u>	<u>37,594,923</u>	<u>176,950,268</u>	<u>647,733,500</u>	<u>19,024,789</u>
389,174	46,244	3,610,057	10,218,227	2,075,219
76,582	9,100	689,524	1,990,318	408,367
<u>465,756</u>	<u>55,344</u>	<u>4,299,581</u>	<u>12,208,545</u>	<u>2,483,586</u>
<u>\$ 43,668,914</u>	<u>\$ 37,650,267</u>	<u>\$ 181,249,849</u>	<u>\$ 659,942,045</u>	<u>\$ 21,508,375</u>

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

**State of New Mexico**  
**City of Santa Fe**  
**Statement of Net Position - Enterprise Funds**

<b>June 30, 2024</b>	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Waste Water Management</b>	<b>Water Management</b>	<b>Environmental Services</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 1,505,412	\$ 4,136,036	\$ 1,065,766
Accrued payroll	168,916	254,803	252,596
Accrued interest payable	45,554	104,341	-
Unearned revenue	-	-	-
Other liabilities	-	545,213	582,540
Due to other governments	2,356	12,144	344,281
Deposits held in trust for others	15,250	2,129,756	-
Bonds payable, current, net of amortized discounts	727,878	1,342,689	-
Notes payable, current	-	965,053	-
Lease liabilities, current	-	-	-
Subscription liabilities - due within one year	-	-	-
Compensated absence payable, current	123,658	192,064	134,247
Claims and judgment payable	-	-	-
Due to other funds	39,235	-	-
Total current liabilities	2,628,259	9,682,099	2,379,430
Noncurrent liabilities			
Bonds payable, net of unamortized discounts	12,950,286	30,992,604	-
Notes payable	-	4,779,631	-
Compensated absences payable	241,843	365,785	236,008
Lease payable	-	-	-
Subscription liabilities, due in more than one year	-	-	-
Net pension liability	6,919,508	11,348,541	7,377,488
Net OPEB liability	898,457	1,433,056	946,460
Total noncurrent liabilities	21,010,094	48,919,617	8,559,956
Total liabilities	23,638,353	58,601,716	10,939,386
Deferred inflows of resources			
Deferred inflows - unamortized gain on refunding of bonds	-	-	-
Deferred inflows - leases	-	1,762,172	-
Deferred inflows - pension	105,611	163,862	110,053
Deferred inflows - OPEB	1,208,724	1,941,356	1,276,964
Total deferred inflows of resources	1,314,335	3,867,390	1,387,017
Net position			
Net investment in capital assets	39,265,702	128,481,631	7,327,254
Unrestricted (deficit)	32,057,408	68,384,659	22,108,164
Total net position	71,323,110	196,866,290	29,435,418
Total liabilities, deferred inflows of resources, and net position	\$ 96,275,798	\$ 259,335,396	\$ 41,761,821

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

Business-type Activities - Enterprise Funds				Governmental
Santa Fe	College of Santa	Nonmajor	Total	Internal Service
Convention	Fe	Enterprise		Funds
Center		Funds		
\$ 348,900	\$ 244,020	\$ 3,895,161	\$ 11,195,295	\$ 2,470,031
52,783	5,995	525,744	1,260,837	199,018
53,179	56,454	44,681	304,209	-
300,000	16,667	315,005	631,672	-
-	-	57,938	1,185,691	-
-	-	86,391	445,172	1,003
572,847	23,333	112,847	2,854,033	-
1,352,970	-	1,717,822	5,141,359	-
-	1,000,000	522,551	2,487,604	-
-	-	84,098	84,098	-
-	-	-	-	150,012
13,689	1,216	239,654	704,528	120,966
-	-	-	-	10,818,395
-	-	-	39,235	-
2,694,368	1,347,685	7,601,892	26,333,733	13,759,425
15,685,529	-	11,749,775	71,378,194	-
-	18,055,000	747,163	23,581,794	-
25,665	2,281	449,322	1,320,904	226,789
-	-	16,792	16,792	-
-	-	-	-	22,811
1,616,877	192,127	14,998,469	42,453,010	8,621,779
206,593	24,550	1,860,113	5,369,229	1,101,641
17,534,664	18,273,958	29,821,634	144,119,923	9,973,020
20,229,032	19,621,643	37,423,526	170,453,656	23,732,445
-	-	157,932	157,932	-
323,592	-	12,544,282	14,630,046	-
23,928	2,843	221,960	628,257	127,593
279,012	33,156	2,512,163	7,251,375	1,487,815
626,532	35,999	15,436,337	22,667,610	1,615,408
14,830,765	16,204,429	119,726,091	325,835,872	3,787,645
7,982,585	1,788,196	8,663,895	140,984,907	(7,627,123)
22,813,350	17,992,625	128,389,986	466,820,779	(3,839,478)
\$ 43,668,914	\$ 37,650,267	\$ 181,249,849	\$ 659,942,045	\$ 21,508,375

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

**State of New Mexico**  
**City of Santa Fe**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**

For Year Ended June 30, 2024	Business-type Activities - Enterprise Funds		
	Waste Water Management	Water Management	Environmental Services
Operating revenues			
Charges for services	\$ 15,935,712	\$ 43,720,002	\$ 16,385,583
Facilities rentals	51,925	58,171	266,000
Other revenues	94,364	611,775	96,810
Premiums	-	-	-
<b>Total operating revenues</b>	<b>16,082,001</b>	<b>44,389,948</b>	<b>16,748,393</b>
Operating expenses			
Salaries, wages, and fringe benefits	5,432,648	8,586,034	5,511,214
Contractual services and utilities	2,140,340	5,650,297	5,351,612
Repairs and maintenance	1,761,829	501,540	1,003,576
Supplies	962,455	910,574	607,208
Small equipment	-	624	486,679
Depreciation and amortization expense	2,152,559	8,518,330	1,616,520
Insurance	-	-	-
Claims and judgments	-	-	-
Other	3,104,155	10,026,111	2,146,709
<b>Total operating expenses</b>	<b>15,553,986</b>	<b>34,193,510</b>	<b>16,723,518</b>
<b>Operating income (loss)</b>	<b>528,015</b>	<b>10,196,438</b>	<b>24,875</b>
Non-operating revenues (expenses)			
Investment income (loss)	1,615,312	3,394,436	1,283,905
Intergovernmental			
State-shared taxes	3,488,149	-	3,488,149
Federal	-	-	-
State	-	-	26,303
Gain (loss) on sale of capital assets	-	-	-
Lease revenue	-	126,775	-
Interest expense, net of premium amortization	(486,959)	(1,098,842)	(2,921)
Other nonoperating revenue (expense)	-	-	-
<b>Total non-operating revenues (expenses)</b>	<b>4,616,502</b>	<b>2,422,369</b>	<b>4,795,436</b>
<b>Income (loss) before transfers and capital contributions</b>	<b>5,144,517</b>	<b>12,618,807</b>	<b>4,820,311</b>
Capital grants			
Federal	-	-	-
State	-	-	-
Transfers			
Transfers in	2,479,671	4,016,249	1,564,131
Transfers (out)	(1,680,643)	(4,422,939)	(1,573,756)
<b>Change in net position</b>	<b>5,943,545</b>	<b>12,212,117</b>	<b>4,810,686</b>
Net position - beginning of year, as originally reported	66,357,189	185,694,516	25,653,646
Net position - error corrections	(977,624)	(1,040,343)	(1,028,914)
<b>Net position - beginning of year, after corrections</b>	<b>65,379,565</b>	<b>184,654,173</b>	<b>24,624,732</b>
<b>Net position - end of year</b>	<b>\$ 71,323,110</b>	<b>\$ 196,866,290</b>	<b>\$ 29,435,418</b>

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

Business-type Activities - Enterprise Funds				Governmental
Santa Fe Convention Center	College of Santa Fe	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 524,655	\$ -	\$ 11,264,947	\$ 87,830,899	\$ 13,320,550
62,377	1,756,500	411,586	2,606,559	-
367	-	1,755,658	2,558,974	304,681
-	-	-	-	32,452,427
587,399	1,756,500	13,432,191	92,996,432	46,077,658
1,132,938	226,273	12,305,830	33,194,937	8,791,021
383,426	1,012,708	5,881,798	20,420,181	3,267,254
128,809	764,725	1,148,790	5,309,269	261,663
108,868	18,324	942,921	3,550,350	1,682,974
92,756	-	334,028	914,087	1,027,370
1,212,090	1,700,174	4,601,173	19,800,846	1,990,064
5,590	372,536	18,130	396,256	5,192,063
-	-	-	-	23,281,162
2,395,881	111,822	5,673,889	23,458,567	734,579
5,460,358	4,206,562	30,906,559	107,044,493	46,228,150
(4,872,959)	(2,450,062)	(17,474,368)	(14,048,061)	(150,492)
170,677	3,383	677,732	7,145,445	523,576
-	-	-	6,976,298	-
-	-	7,127,125	7,127,125	-
-	-	-	26,303	-
-	-	2,250	2,250	-
22,368	-	442,150	591,293	-
(450,787)	(681,391)	(312,853)	(3,033,753)	(4,596)
(65)	-	460,469	460,404	-
(257,807)	(678,008)	8,396,873	19,295,365	518,980
(5,130,766)	(3,128,070)	(9,077,495)	5,247,304	368,488
-	-	531,610	531,610	-
-	-	4,120,219	4,120,219	-
7,112,304	4,161,154	20,423,185	39,756,694	5,358,979
(52,286)	-	(485,357)	(8,214,981)	(137,500)
1,929,252	1,033,084	15,512,162	41,440,846	5,589,967
20,884,098	16,959,541	112,877,824	428,426,814	(9,429,445)
-	-	-	(3,046,881)	-
20,884,098	16,959,541	112,877,824	425,379,933	(9,429,445)
\$ 22,813,350	\$ 17,992,625	\$ 128,389,986	\$ 466,820,779	\$ (3,839,478)

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

**State of New Mexico**  
**City of Santa Fe**  
**Statement of Cash Flows - Enterprise Funds**

<b>For Year Ended June 30, 2024</b>	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Waste Water Management</b>	<b>Water Management</b>	<b>Environmental Services</b>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 16,378,561	\$ 44,001,258	\$ 17,199,105
Cash payments to suppliers for goods and services	(10,665,124)	(29,404,368)	(12,151,405)
Cash payments to employees for services	(2,762,938)	(3,090,513)	(3,163,321)
<b>Net cash provided (used) by operating activities</b>	<b>2,950,499</b>	<b>11,506,377</b>	<b>1,884,379</b>
<b>Cash flows from noncapital financing activities</b>			
Intergovernmental taxes and grants	3,488,149	-	3,514,452
Other nonoperating revenue (expense)	-	-	-
Transfers in from other funds	2,479,671	4,016,249	1,564,131
Transfers out to other funds	(1,680,643)	(4,422,939)	(1,573,756)
Cash received from leases	-	126,775	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>4,287,177</b>	<b>(279,915)</b>	<b>3,504,827</b>
<b>Cash flows from capital and related financing activities</b>			
Acquisition and construction of capital assets	(7,966,437)	(10,258,299)	(3,328,412)
Proceeds from sale of capital assets	-	-	-
Proceeds from capital grants	-	-	-
Principal paid on bonds, notes, leases, and SBITAs	(817,044)	(2,238,779)	(193,907)
Interest paid on bonds, notes, leases, and SBITAs	(489,761)	(1,104,700)	(3,505)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(9,273,242)</b>	<b>(13,601,778)</b>	<b>(3,525,824)</b>
<b>Cash flows from investing activities</b>			
Interest and dividends on investments	1,615,312	3,394,436	1,283,905
<b>Net cash provided (used) by investing activities</b>	<b>1,615,312</b>	<b>3,394,436</b>	<b>1,283,905</b>
<b>Net increase (decrease) in cash, cash equivalents, and investments</b>	<b>(420,254)</b>	<b>1,019,120</b>	<b>3,147,287</b>
Cash, cash equivalents, and investments - beginning of year	38,999,903	76,752,984	25,971,382
<b>Cash, cash equivalents, and investments - end of year</b>	<b>\$ 38,579,649</b>	<b>\$ 77,772,104</b>	<b>\$ 29,118,669</b>

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

<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
<b>Santa Fe</b>		<b>Nonmajor</b>		<b>Activities</b>
<b>Convention</b>	<b>College of</b>	<b>Enterprise</b>	<b>Total</b>	<b>Internal Service</b>
<b>Center</b>	<b>Santa Fe</b>	<b>Funds</b>		<b>Funds</b>
\$ 761,234	\$ 1,683,041	\$ 7,128,269	\$ 87,151,468	\$ 46,505,478
(3,227,084)	(2,484,484)	(18,630,233)	(76,562,698)	(35,000,947)
(878,233)	66,034	(8,174,575)	(18,003,546)	(8,579,226)
(3,344,083)	(735,409)	(19,676,539)	(7,414,776)	2,925,305
-	-	8,119,204	15,121,805	-
(65)	-	-	(65)	-
7,112,304	4,161,154	20,423,185	39,756,694	5,358,979
(52,286)	-	(485,357)	(8,214,981)	(137,500)
22,368	-	442,150	591,293	-
7,082,321	4,161,154	28,499,182	47,254,746	5,221,479
(90,263)	(815,319)	(12,000,547)	(34,459,277)	(1,830,409)
-	-	2,250	2,250	-
-	-	4,120,219	4,120,219	-
(1,298,070)	(975,000)	(2,541,009)	(8,063,809)	(1,108,060)
(455,357)	(683,570)	(329,943)	(3,066,836)	(4,596)
(1,843,690)	(2,473,889)	(10,787,030)	(41,505,453)	(2,943,065)
170,677	3,383	677,732	7,145,445	523,576
170,677	3,383	677,732	7,145,445	523,576
2,065,225	955,239	(1,286,655)	5,479,962	5,727,295
8,883,578	1,380,253	20,011,052	171,999,152	8,272,387
\$ 10,948,803	\$ 2,335,492	\$ 18,724,397	\$ 177,479,114	\$ 13,999,682

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

**State of New Mexico**  
**City of Santa Fe**  
**Statement of Cash Flows - Enterprise Funds**

<b>For Year Ended June 30, 2024</b>	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Waste Water Management</b>	<b>Water Management</b>	<b>Environmental Services</b>
<b>Reconciliation of operating income (loss)</b>			
<b>To net cash provided (used) by</b>			
<b>Operating activities</b>			
Operating income (loss)	\$ 528,015	\$ 10,196,438	\$ 24,875
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities			
Depreciation/Amortization/Bad debt expense	2,152,559	8,518,330	1,616,520
Difference between deferred outflows and related to pensions and OPEB	(674,694)	(1,105,517)	(643,357)
Difference between deferred inflows and related to pensions and OPEB	(292,635)	(521,289)	(415,636)
Difference between deferred inflows related to leases	-	(126,776)	-
Difference between net pension/OPEB liability	845,917	1,385,680	502,362
Change in assets and liabilities			
(Increase) Decrease in Accounts receivables	(182,106)	(2,941,376)	(224,072)
(Increase) Decrease in Other receivables	(434)	(403)	(311)
(Increase) Decrease in Lease receivables	-	106,013	-
(Increase) Decrease in Taxes receivables	(41,300)	-	(41,300)
(Increase) Decrease in Prepaid expense	-	45,167	-
(Increase) Decrease in Due from other funds	-	-	-
Increase (Decrease) in Accounts Payable	520,400	2,336,926	736,063
Increase (Decrease) in Lease Payable	-	-	-
Increase (Decrease) in Gross Receipts Tax Payable	-	236,926	-
Increase (Decrease) in Compensated Absences Payable	33,297	(13,800)	9,049
Increase (Decrease) in Accrued Wages Payable	66,913	96,185	137,998
Increase (Decrease) in Other Liabilities	-	-	201,856
Increase (Decrease) in Due to Other Governments	(5,433)	(7,173,683)	(19,668)
Increase (Decrease) in Customer Deposits	-	690,901	-
Increase (Decrease) in Unearned Revenue	-	-	-
Increase (Decrease) in Inventory	-	(223,345)	-
Increase (Decrease) in Claims Payable	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 2,950,499</b>	<b>\$ 11,506,377</b>	<b>\$ 1,884,379</b>

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

<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
<b>Santa Fe</b>		<b>Nonmajor</b>		<b>Activities</b>
<b>Convention</b>	<b>College of</b>	<b>Enterprise</b>		<b>Internal Service</b>
<b>Center</b>	<b>Santa Fe</b>	<b>Funds</b>	<b>Total</b>	<b>Funds</b>
\$ (4,872,959)	\$ (2,450,062)	\$ (17,474,368)	\$ (14,048,061)	\$ (150,492)
1,212,090	1,700,174	4,601,175	19,800,848	1,990,064
(145,830)	(34,571)	(1,367,114)	(3,971,083)	(900,534)
(86,066)	10,754	(767,903)	(2,072,775)	(309,428)
(22,368)	-	2,429,691	2,280,547	-
135,679	107,077	1,334,824	4,311,539	1,371,892
-	-	(564,962)	(3,912,516)	(1,032,777)
302	(1)	(1,135,232)	(1,136,079)	445,151
19,589	-	(2,562,330)	(2,436,728)	-
-	-	(6,560,542)	(6,643,142)	-
-	-	-	45,167	-
-	-	-	-	-
176,312	(73,458)	2,123,314	5,819,557	1,015,446
-	-	(84,096)	(84,096)	-
-	-	-	236,926	-
2,521	1,205	63,626	95,898	(30,391)
32,960	3,473	252,261	589,790	80,256
-	-	-	201,856	-
-	-	43	(7,198,741)	-
203,687	-	(15,161)	879,427	-
-	-	50,235	50,235	-
-	-	-	(223,345)	45,064
-	-	-	-	401,054
<b>\$ (3,344,083)</b>	<b>\$ (735,409)</b>	<b>\$ (19,676,539)</b>	<b>\$ (7,414,776)</b>	<b>\$ 2,925,305</b>

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

**State of New Mexico  
City of Santa Fe  
Statement of Fiduciary Net Position**

<b>June 30, 2024</b>	<b>Custodial Funds</b>
Assets	
Cash, cash equivalents, and investments	\$ 105,540,318
Total assets	\$ 105,540,318
Net position	
Held For	
Santa Fe Solid Waste Management Agency	\$ 21,280,217
Buckman Direct Diversion Project	84,260,101
Total net position	105,540,318
Total net position	\$ 105,540,318

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

**State of New Mexico  
City of Santa Fe  
Statement of Changes in Fiduciary Net Position**

<b>For the Year Ended June 30, 2024</b>	<b>Custodial Funds</b>
Additions	
Contributions	
Members	\$ 27,088,113
Total contributions	27,088,113
Investment Earnings	
Interest Income	6,004,675
Total Investment Earnings	6,004,675
Total additions	33,092,788
Deductions	
Distribution to Members	19,877,944
Total deductions	19,877,944
Net increase in fiduciary net position	13,214,844
Net position - beginning of year	92,325,474
Net position - end of year	\$ 105,540,318

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

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**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Santa Fe, New Mexico (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.

The City is a body politic and corporate under the name and form of government selected by its qualified electors. The City may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico;
6. Protect generally the property of its municipality and its inhabitants;
7. Preserve peace and order within the municipality; and
8. Establish rates for services provided by municipal utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

This summary of significant accounting policies of the City is presented to assist in the understanding of City's financial statements. The financial statements and notes are the representation of City's management who is responsible for their integrity and objectivity.

***Reporting Entity***

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Reporting Entity (Continued)***

In evaluating how to define the City, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90. Blended component units, although legally separate entities, are in substance part of the government's operations.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based on the application of these criteria, the City has no component units.

***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 all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *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 support.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Government-wide and Fund Financial Statements (Continued)***

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 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) 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 instead as *general revenues*.

Separate financial statements are provided for governmental funds, enterprise funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the enterprise fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes, net of estimated refunds, 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.

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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, subject to the availability criterion. Gross receipts taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place, and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, subject to the availability criterion. All other revenue items are considered to be measurable and available only when cash is received by the government.

*Government-wide Financial Statements*

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. The business-type activities column incorporates data from enterprise funds. Separate financial statements are provided for governmental funds, enterprise funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule the effect of interfund 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 various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

*Fund Financial Statements*

The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category—governmental, enterprise, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and major enterprise funds, each displayed in a separate column on their respective financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds in their respective financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Under the requirements of GASB Statement No. 34, the City is required to present certain of its governmental and enterprise funds as major based upon certain criteria.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund includes the state shared gross receipts tax income fund and the state shared gas tax income fund. The general fund also includes revenues and costs associated with community services, community development, and building codes.

The *Community Development Special Revenue Fund* is used to account for the City's 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.

The *1/2% Gross Receipts Tax Capital Projects 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.

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 City reports the following enterprise funds as major 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 *Santa Fe Convention Center Fund* (formerly known as Sweeney Convention Center) accounts for the operation of the City's convention center.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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 nonprofit corporation and subsequent lease to Laureate Education Inc. in September of 2009.

Additionally, the City reports the following fund types:

*Special revenue funds* are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes other than capital projects.

*Debt service funds* are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

*Capital projects funds* account for the acquisition and construction of the City's major capital facilities, other than those financed by enterprise funds.

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

*Fiduciary funds* are used to report assets held in a trustee or agency capacity for others that cannot be used to support the government's own programs. *Custodial funds* are purely custodial and do not involve measurement of results of operations.

The City reports the following fiduciary fund:

The *Custodial Fund* is an external investment pool fund, which represents the amounts held in the City's pooled cash on behalf of the Buckman Direct Diversion Project (Buckman) and Santa Fe Solid Waste Management Agency (SWAMA). As the Fiscal Agent for both Buckman and SWAMA, the City has fiduciary responsibilities to these entities.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund 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 102% 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.
- 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 Corporation, the Federal National Mortgage Association, 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.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)***

- 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).
- 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.

For amounts held in the NM LGIP, investments are valued at amortized cost 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 NM LGIP 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. Participation in the NM LGIP is voluntary.

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.

***Receivables and Payables***

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied. Property taxes are considered to be 100% collectible.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)***

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10<sup>th</sup> and April 10<sup>th</sup> are considered delinquent and the City may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Property taxes are collected by Santa Fe County and remitted monthly to the City.

Unbilled receivables – An amount for unbilled revenue is recorded in the enterprise funds for services rendered, but not yet billed as of the end of the fiscal year. The receivable is derived from the cycle billings generated subsequent to fiscal year end and prorated for usage before year-end.

Allowance for doubtful accounts – Accounts receivable have been reported net of the allowance for doubtful accounts. Accounts receivable in excess of 90 days are subject to being considered as uncollectible.

***Interfund Activities and Transactions***

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between enterprise funds are netted as part of the reconciliation to the government-wide financial statements.

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)***

*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 enterprise 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.

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 as of June 30, 2024, was \$511,114.

*Leases Receivable*

The City's leases receivable are measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable.

*Restricted Assets*

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

*Bond and loan debt service accounts* – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds or capital lease obligations.

*Endowment funds* – Includes privately donated funds for the Southside Library, expenditure of which is limited to interest by the donor and by City resolution.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)***

*Capital Assets*

Capital assets, which include property, plant, equipment, leased assets, right-to-use assets, right-to-use subscription assets and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, as a Phase 2 government, the historical cost of infrastructure assets, (retroactive to June 30, 1980) are included as part of the governmental capital assets reported in the government wide statements.

Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at acquisition value at the date of donation, of which none were received for the year ended June 30, 2024. City land acquired prior to 1987 was primary 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets 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 City is expensed as it is incurred.

Land, construction in progress, right of way assets, water rights, and art are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>	<b>Assets</b>	<b>Years</b>
Buildings and Structures	50	Vehicles	4-8
Improvements	10	Equipment and Machinery	4-10
Furniture and Fixtures	10	Sewerlines and Utility Systems	2
Data Processing Equipment	3	Software	10
Streets and Bridges	25	Traffic Signals	10

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)***

*Leases and right-to-use assets*

Lease contracts that provide the City with control of a non-financial asset, such as land, buildings or equipment, for a period of time in excess of twelve months are reported as a right-to-use asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The right-to-use asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

*Deferred Outflows of Resources*

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time.

The City has two types of items that qualify for reporting in this category, deferred outflows - pension and deferred outflows - OPEB. Deferred outflows - pension and deferred outflows - OPEB qualify for reporting under GASB 68 and 75, respectively, and are further detailed in Note 11 and Note 12.

*Deferred Inflows of Resources*

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports four categories of items that qualify for reporting as deferred inflows of resources. Deferred inflows - unamortized gain on refund of bonds is related to a previous refunding of long-term liabilities that resulted in a gain on refunding which is recognized over a period of time. Deferred inflows - leases are associated with amounts owed to the City, as lessor, by entities leasing the City's capital assets. Deferred inflows - pension and deferred inflows - OPEB qualify for reporting under GASB 68 and 75, respectively, and are further detailed in Note 11 and Note 12.

Deferred inflows reported in the governmental funds balance sheet represents unavailable revenue, which arises only under a modified accrual basis of accounting. The governmental funds report unavailable revenues from three sources: leases, property taxes and liquor license and land sales, categorized as "other" deferred inflows. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)***

*Accrued Payroll*

Accrued payroll is comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2024, along with applicable FICA, Medicare, PERA, retiree health care, and other benefits expenses.

*Compensated Absences*

City employees are entitled to certain compensated absences based on their employment classification and length of employment. 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 enterprise 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.

*Subscription-Based Information Technology Arrangements*

Subscription agreements that provide the City with access to a software or similar intangible asset for a period of time in excess of twelve months are reported as a right-to-use subscription asset with a related subscription liability. The liability is recorded at the present value of future subscription payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The right-to-use subscription asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Subscription assets are amortized over the shorter of the useful life of the asset or the lease term. The subscription liability is reduced for payments made, less the interest portion of the payment.

*Unearned Revenues*

Unearned revenues are comprised of advanced funded grants for which eligible expenditures have not yet been incurred and payments made in advance by customers for various services (i.e. prepaid rent, golf pro shop gift cards, etc.) provided by the City as of June 30, 2024.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)***

*Long-term Obligations*

In the government-wide financial statements, and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued.

The face amount of debt issued is reported as other financing sources, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

*Pensions*

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 Public Employees Retirement Association (“PERA”) and additions to/deductions from PERA’s fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Postemployment Benefits Other Than Pensions (“OPEB”)*

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

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)***

*Fund Balance Classification Policies and Procedures*

The City has implemented GASB No. 54 and has defined the various categories reported in 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 fund balances* are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The City classified \$73,408 of fund balance as nonspendable related to inventory in the government fund balance sheet at June 30, 2024.

*Restricted fund balances* are 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 fund balances* are 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 fund balances* are 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. The City has assigned General Fund fund balance of \$1,278,450 resulting from cash reserves designated for the fiscal year 2025 budget.

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

Note 16 shows more detail regarding these classifications of fund balances in the governmental funds.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)***

*Net Position*

In business-type activities, enterprise funds, and internal service funds, equity is classified as net position and displayed in three components:

*Net investment in capital assets* is intended to reflect the portion of net position which is associated with capital assets. It consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted net position* consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, debt service, and capital projects” are described on pages 57 and 141-143. The City also maintains restricted net position for post closure obligations and 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 all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

*Revenues and Expenditures/Expenses*

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the City’s taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the City’s general revenues.

Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of City facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources such as small cities assistance to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state and federal sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (Continued)***

The City reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. The City does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the City's major enterprise fund is charges for services for the City's utilities. Operating expenses for enterprise funds include the cost of 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.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates in the City's financial statements include the fair value of investments, value of liabilities and right-of-use assets related to leases and subscription-based IT arrangements, allowance for uncollectible accounts, expected useful lives of capital assets, current portion of accrued compensated absences, the estimate for landfill closure and post closure costs, and actuarial estimates included in the calculation of the net pension liability and net OPEB liability.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 16, 2024. See note 20 for relevant disclosures. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recently Issued and Implemented Accounting Pronouncements***

During the fiscal year ended June 30, 2024, the City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. The implementation of GASB Statement No. 100 had a significant impact on the City. See Note 2 for further information.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 101, *Compensated Absences*. The requirements of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged.

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

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

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

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

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 2: ERROR CORRECTION**

The City’s fiscal year 2024 financial statements incorporate a change in accounting principle and a change within the financial reporting entity and reflect the correction of an error in previously issued financial statements. GASB Statement No. 100, *Accounting Changes and Error Corrections*, requires disclosure of their nature and effect on amounts reported in the financial statements.

- The City discovered during the year that the June 30, 2022 unbilled accounts receivable in funds Waste Water Management Fund, Water Management Fund, and Environmental Services Fund posted to the general ledger were not reversed in fiscal year 2023. Total reversals were \$977,624, \$2,449,146, and 1,028,914, respectively.
- An adjustment was posted to the Water Management Fund for previously unrecognized fiscal agent fees from Buckman Direct Diversion relating to fiscal years 2021-2024 totaling \$1,408,803.
- The City adjusted the Governmental Activities to report the CWSRF loan payable (see note 8) in the amount of \$1,481,317, which was previously reported as \$0.
- The City adjusted beginning CIP balance in the governmental activities to coincide with inventory records in the amount of \$18,828,479.

The following table summarizes the corrections to the City’s beginning fund balance and net position as a result of the error corrections:

	<b>Fund Financial Statements</b>		
	<b>Enterprise</b>		
	<b>Waste Water Management</b>	<b>Water Management</b>	<b>Environmental Services</b>
June 30, 2023 fund balance as previously reported	\$ 66,357,189	\$ 185,694,516	\$ 25,653,646
Error corrections	(977,624)	(1,040,343)	(1,028,914)
<b>June 30, 2023 fund balance as corrected</b>	<b>\$ 65,379,565</b>	<b>\$ 184,654,173</b>	<b>\$ 24,624,732</b>

	<b>Government-Wide Financial Statements</b>	
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
June 30, 2023 net position as previously reported	296,637,893	\$ 428,426,814
Error correction	(20,309,796)	(3,046,881)
<b>June 30, 2023 net position as corrected</b>	<b>\$ 276,328,097</b>	<b>\$ 425,379,933</b>

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

***Budgetary Information***

Annual budgets for governmental funds are adopted based on generally accepted accounting principles (GAAP basis). Annual budgets for enterprise 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 Local Government Division of the State of New Mexico Department of Finance and Administration. Before July 1st, 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 Government 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.

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.

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 enterprise 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.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

***Budgetary Information (Continued)***

Encumbrance accounting is employed in all funds. Encumbrances (purchase orders, contracts and other commitments for the expenditure of resources) outstanding at year-end are reappropriated 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.

The budgetary information presented in these financial statements has been properly amended by City Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

	<b>Excess (deficiency) of revenues over expenditures</b>	
	<b>Original Budget</b>	<b>Final Budget</b>
Budgeted governmental funds		
General Fund	\$ 1,704,452	\$ (11,665,562)
Community Development Grants Fund	(3,987,006)	(9,658,600)
1.5% Gross Receipts Tax Fund	20,249,134	18,416,451
Debt Service Fund	(10,394,068)	(10,394,068)
Other governmental funds	8,290,745	(18,198,606)
Budgeted proprietary funds		
Waste Water Management Fund	148,484	(22,951,532)
Water Management Fund	9,581,113	(31,123,345)
Environmental Services Fund	(3,426,053)	(5,985,941)
Santa Fe Convention Center Fund	(5,516,067)	(7,275,776)
College of Santa Fe Fund	(3,567,358)	(4,453,778)
Nonmajor proprietary funds	(12,641,348)	(23,194,296)
Internal Service Fund	(5,697,218)	(5,697,218)

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 4: DEPOSITS AND INVESTMENTS**

State statutes and the City's investment policy authorize the investment of City funds in a wide variety of instruments including certificates of deposit and other similar obligations, the state investment pool, money market accounts, and United States Government obligations. All invested funds of the City properly followed State investment requirements as of June 30, 2024.

Deposits of funds may be made in interest bearing or non-interest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the City. Deposits may be made to the extent that they are insured by an agency of the United States or by collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance for accounts held by the City.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The City's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for demand deposit accounts and \$250,000 for time and savings accounts.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At June 30, 2024, \$27,814,700 of the City's bank balance of \$28,564,700 was subject to custodial credit risk. Of this amount, \$27,803,490 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the City's name and \$11,210 of the City's deposits was uninsured and uncollateralized at June 30, 2024.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 4: DEPOSITS AND INVESTMENTS (Continued)**

	<b>Citibank</b>	<b>Wells Fargo</b>	<b>Sterling National Bank</b>	<b>Total</b>
Amount of deposits	\$ 261,210	\$ 28,038,201	\$ 265,289	\$ 28,564,700
FDIC/SIPC coverage	(250,000)	(250,000)	(250,000)	(750,000)
<b>Total uninsured public funds</b>	<b>11,210</b>	<b>27,788,201</b>	<b>15,289</b>	<b>27,814,700</b>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	27,788,201	15,289	27,803,490
<b>Uninsured and uncollateralized</b>	<b>\$ 11,210</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,210</b>
Collateral requirement (50%)	\$ 5,605	\$ 13,894,101	\$ 7,645	\$ 13,907,351
Pledged securities	-	65,542,116	15,598	65,557,714
<b>Over (under) collateralized</b>	<b>\$ (5,605)</b>	<b>\$ 51,648,015</b>	<b>\$ 7,953</b>	<b>\$ 51,650,363</b>

The collateral pledged is listed on page 195 of this report. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, city or political subdivision of the State of New Mexico, or revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service.

The City utilizes pooled accounts for their funds. Cash and investments of the General, Special Revenue, Capital Projects, Enterprise Funds, and Custodial Funds are pooled and held in multiple accounts.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 4: DEPOSITS AND INVESTMENTS (Continued)**

***Reconciliation to the Statement of Net Position***

Cash, cash equivalents, and investments per statement of net position	\$ 371,769,795
Restricted cash, cash equivalents and investments per statement of net position	3,835,929
Cash and cash equivalents per statement of fiduciary net position	105,540,318
<hr/>	
Total cash, cash equivalents, and investments	481,146,042
Plus outstanding checks	3,433,028
Less outstanding deposits	(775,675)
Less restricted NMFA debt funds	(78,168)
Less New MexiGROW LGIP	(83,659,956)
Less Principal cash and investments - City	(295,622,962)
Less Principal cash and investments - BDD	(75,871,934)
Less petty cash	(5,675)
<hr/>	
Bank balance of deposits	\$ 28,564,700
<hr/>	

***Investments***

The City's investments at June 30, 2024 include the following:

Investment Type	Weighted Average Maturities	Fair Value	Rating*
	34 day WAM (R) and		
New MexiGROW LGIP	90 day WAM (F)	\$ 83,659,956	AAAm
U.S. Treasury Money Market Funds	>365 Days	7,286,214	AA+
Fixed Income Securities	0 to 3 years	9,976,563	AA+
Money market funds	<365 days	354,232,119	Not Rated
<hr/>			
Total		\$ 455,154,852	
<hr/>			

\* Based off Standard & Poor's rating

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 4: DEPOSITS AND INVESTMENTS (Continued)**

***Investments (Continued)***

*Interest Rate Risk – Investments.* Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. 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 deposit to three years. The City uses duration as its measure of interest rate risk. The fair value of the securities exposed to interest rate risk is \$9,976,563. These securities do not have call options.

Maturity rates consist of the following as of June 30, 2024:

<b>Investment Type</b>	<b>Amount</b>	<b>Not subject to Interest</b>		
		<b>Rate Risk</b>	<b>Less than 1 Year</b>	<b>1-5 Years</b>
New MexiGROW LGIP	\$ 83,659,956	\$ 83,659,956	\$ -	\$ -
U.S. Treasury Money Market	7,286,214	7,286,214	-	-
Money Market Funds	354,232,119	354,232,119	-	-
Fixed Income Securities	9,976,563	-	9,976,563	-
<b>Total investments</b>	<b>\$ 455,154,852</b>	<b>\$ 445,178,289</b>	<b>\$ 9,976,563</b>	<b>\$ -</b>

*Credit Risk – Investments.* Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City’s investment policy requires that fixed income securities and equities have a weighted average of no less than investment grade, as rated by *Moody’s* and *Standard & Poor’s*.

*Concentration of Credit Risk – Investments.* For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the City. The City’s investment policy specifies that the City shall diversity its investments to avoid a concentration of any one issuer, with the exception of U. S. Treasury securities, in which the City may invest 100% of its portfolio. Money Market Funds, savings accounts, NM LGIP and cash accounts have no duration. NM LGIP and U.S Treasury securities represent 100% of the total portfolio.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 4: DEPOSITS AND INVESTMENTS (Continued)**

***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 Foundation 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 City's investment of \$83,659,956 with the NM LGIP is valued at amortized cost and is not subject to fair market valuation.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value 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.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 4: DEPOSITS AND INVESTMENTS (Continued)**

***Investments (Continued)***

The City maintained a balance of \$9,976,563 in investments at June 30, 2024 which required fair value disclosure. The following table sets forth by level within the fair value hierarchy of the City's assets at fair value as of June 30, 2024:

	Level 1	Level 2	Level 3	Total
Fixed Income Securities	\$ 9,976,563	\$ -	\$ -	\$ 9,976,563
Total investments	\$ 9,976,563	\$ -	\$ -	\$ 9,976,563

**Note 5: RECEIVABLES**

Receivables as of June 30, 2024 for governmental activities are as follows:

	General Fund	Community Development Grants Fund	1/2% Gross Receipts Tax Fund
Taxes			
Property	\$ 753,432	\$ -	\$ -
Gross receipts	11,609,970	247,020	5,040,132
Gasoline and oil taxes	-	-	-
Other	7,821,854	-	-
Intergovernmental			
Federal operating grants	-	588,354	-
Federal capital grants	-	-	-
State operating grants	172,182	-	-
State capital grants	-	-	-
Opioid settlement	3,137,445	-	-
Other			
Interest	214,446	-	-
Ambulance receivable	3,409,900	-	-
Allowance - ambulance receivable	(3,212,883)	-	-
Miscellaneous	382,272	-	-
Allowance - uncollectable miscellaneous	-	-	-
Lease revenue	-	-	-
Totals	\$ 24,288,618	\$ 835,374	\$ 5,040,132

(Continued)

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 5: RECEIVABLES (Continued)**

	Debt Service Fund	Nonmajor Governmental Fund	Total Governmental Funds
Taxes			
Property	\$ 164,686	\$ -	\$ 918,118
Gross receipts	-	494,042	17,391,164
Gasoline and oil taxes	-	254,078	254,078
Other	-	6,201,898	14,023,752
Intergovernmental			
Federal operating grants	-	510,256	1,098,610
State operating grants	-	497,562	669,744
State capital grants	-	2,535,536	2,535,536
Opioid settlement	-	-	3,137,445
Other			
Interest	5,021	-	219,467
Ambulance receivable	-	-	3,409,900
Allowance - ambulance receivable	-	-	(3,212,883)
Miscellaneous	-	4,349,546	4,731,818
Allowance - uncollectable miscellaneous	-	(1,657,042)	(1,657,042)
Lease revenue	-	3,709,061	3,709,061
<b>Totals</b>	<b>\$ 169,707</b>	<b>\$ 16,894,937</b>	<b>\$ 47,228,768</b>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$660,867, license fees in the amount of \$139,608, and land sales in the amount of \$2,120,149 that were not collected within the period of availability have been reclassified as deferred inflows of resources in the governmental fund financial statements.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 5: RECEIVABLES (Continued)**

Receivables as of June 30, 2024 for business-type activities are as follows:

	<b>Waste Water Management</b>	<b>Water Management</b>	<b>Environmental Services</b>	<b>Santa Fe Convention Center</b>	<b>College of Santa Fe</b>
Taxes					
Gross receipts taxes	\$ 630,016	\$ -	\$ 630,016	\$ -	\$ -
Intergovernmental					
Operating grants	-	-	-	-	-
State capital grants	-	-	-	-	-
Customer					
Charges for services	2,412,417	9,527,592	2,428,652	-	-
Allowance - charges for services	(545,760)	(866,596)	(455,613)	-	-
Notes receivable	163,296	-	-	-	-
Other					
Other revenue	1,990	69,800	1,444	-	2
Lease receivable	-	1,806,599	-	385,091	-
<b>Totals</b>	<b>\$ 2,661,959</b>	<b>\$ 10,537,395</b>	<b>\$ 2,604,499</b>	<b>\$ 385,091</b>	<b>\$ 2</b>

(Continued)

	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
Taxes			
Gross receipts taxes	\$ -	\$ 1,260,032	\$ -
Intergovernmental			
Federal capital grants	5,833,202	5,833,202	-
State capital grants	1,994,209	1,994,209	-
Customer			
Charges for services	2,581,715	16,950,376	-
Allowance - charges for services	(704,981)	(2,572,950)	-
Notes receivable	-	163,296	-
Other			
Other revenue	1,325,254	1,398,490	1,046,554
Lease receivable	12,474,248	14,665,938	-
<b>Totals</b>	<b>\$ 23,503,647</b>	<b>\$ 39,692,593</b>	<b>\$ 1,046,554</b>

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 5: RECEIVABLES (Continued)**

***Lease Receivables***

The City has recorded lease receivables in accordance with GASB 87 for the governmental and business-type activities. The lease receivables are initially measured at an amount equal to the initial measurement of the related deferred inflow of resources.

The City, as part of their governmental activities, entered into agreements to lease real property. The terms of the lease agreements range from 16 months to 401 months, with discount rates between 0.18% and 1.65%, which were estimated based on municipal bond index rates as of June 30, 2021.

During the year ended June 30, 2024, the following changes occurred in lease receivables reported on the statement of net position for governmental activities:

	Balance			Balance	Due Within
	June 30, 2023	Increases	Decreases	June 30, 2024	One Year
SF Health Club	\$ 37,745	\$ -	\$ 14,215	\$ 23,530	\$ 14,652
Kitchen Angels	1,921,173	-	83,599	1,837,574	118,165
Sanchez Family	28,743	-	2,396	26,347	2,494
Verizon 18-1097	784,264	-	42,027	742,237	43,164
New Food Depot	930,363	-	67,130	863,233	67,251
Shelter	60,693	-	60,693	-	-
B&GC	287,374	-	72,396	214,978	74,529
Highland	6,753	-	5,591	1,162	1,083
Café Des Artistes	4,188	-	4,188	-	-
Plaza Café	31,704	-	31,704	-	-
<b>Total lease receivable</b>	<b>\$ 4,093,000</b>	<b>\$ -</b>	<b>\$ 383,939</b>	<b>\$ 3,709,061</b>	<b>\$ 321,338</b>

The future minimum lease payments for governmental activities to be received as of June 30, 2024 is as follows:

Fiscal Year				Total Lease
Ending June 30,	Payment	Interest		Receivable
2025	\$ 321,338	\$ 26,151	\$	470,762
2026	323,265	23,716		373,869
2027	316,248	21,261		371,871
2028	259,780	19,110		54,770
2029	266,884	17,038		283,922
2030-2034	1,560,856	50,996		1,611,852
2035-2039	660,690	3,267		663,957
<b>Totals</b>	<b>\$ 3,709,061</b>	<b>\$ 161,539</b>	<b>\$</b>	<b>3,870,600</b>

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 5: RECEIVABLES (Continued)**

***Lease Receivables (Continued)***

Total lease revenue and interest revenue recognized in the governmental activities for the year ended June 30, 2024 was \$504,686 and \$29,020.

The City's airport, as part of their business-type activities, entered into lease agreements to lease their land and hanger sites. The terms of the lease agreements range from 5 years to 25 years with a discount rate of 0.50% and 1.75%, which was set by the New Mexico Department of Finance and administration.

During the year ended June 30, 2024, the following changes occurred in lease receivables reported on the statement of net position for business-type activities:

	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>June 30, 2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2024</b>	<b>One Year</b>
Warehouse	\$ 7,913,890	\$ -	\$ 211,406	\$ 7,702,484	\$ 194,640
Wiskey Golf	24,886	-	2,990	21,896	3,024
Spectra Airport	724,792	-	17,605	707,187	17,605
T-Mobile	595,534	-	42,398	553,136	42,458
Verizon 18-0851	702,441	-	33,927	668,514	35,491
Verizon 18-0852	614,636	-	29,686	584,950	31,054
Verizon 18-1098	415,298	-	22,217	393,081	22,780
Verizon 19-0533	356,690	-	19,589	337,101	20,129
Gate 13	140,034	-	3,382	136,652	3,550
Jet Center	705,691	-	31,296	674,395	21,637
La Bocal Feliz	4,199	-	3,957	242	242
Hotel Chimayo	25,432	-	5,967	19,465	6,132
Youthworks	5,687	-	5,687	-	-
Horno Restraurant	-	23,769	7,119	16,650	7,935
Signature Flight Support a	-	1,949,025	45,385	1,903,640	38,883
Signature Flight Support b	-	573,078	9,836	563,242	11,433
Signature Flight Support c	-	329,884	5,561	324,323	6,580
Signature Flight Support d	-	19,892	1,714	18,178	2,208
Los Magueyes	-	15,839	608	15,231	3,713
Tres Colores	-	26,692	1,121	25,571	6,486
<b>Total lease receivable</b>	<b>\$ 12,229,210</b>	<b>\$ 2,938,179</b>	<b>\$ 501,451</b>	<b>\$ 14,665,938</b>	<b>\$ 475,980</b>

Deferred inflows of resources are recorded for leases at the date the lease is entered into, in an amount equal to the initial lease receivable. The deferred inflows of resources are amortized on a straight-line basis over the term of the related leases.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 5: RECEIVABLES (Continued)**

***Lease Receivable (Continued)***

The future minimum lease payments for business-type activities to be received as of June 30, 2024 is as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Payment</b>	<b>Interest</b>	<b>Total Lease Receivable</b>
2025	\$ 475,980	\$ 233,180	\$ 709,160
2026	486,377	226,399	712,776
2027	490,779	219,492	710,271
2028	495,039	212,014	707,053
2029	506,268	205,237	711,505
2030-2034	2,737,885	909,967	3,647,852
2035-2039	2,902,290	694,615	3,596,905
2040-2044	2,388,221	473,172	2,861,393
2045-2049	2,447,288	235,114	2,682,402
2050-2054	1,544,507	65,670	1,610,177
2055-2059	191,304	-	191,304
<b>Totals</b>	<b>\$ 14,665,938</b>	<b>\$ 3,474,860</b>	<b>\$ 18,140,798</b>

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Total lease revenue and interest revenue recognized in the governmental activities for the year ended June 30, 2024 was \$591,293 and \$232,733.

**State of New Mexico**  
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**Notes to Financial Statements**

**Note 6: TRANSFERS AND INTERFUND BALANCES**

Net operating transfers, made to close out funds and to supplement other funding sources, were as follows for the year ended June 30, 2024:

<b>Fund</b>	<b>Transfers Out</b>	<b>Transfers In</b>
General	\$ 12,741,913	\$ 3,545,419
Community Development Grants	105,027	587,810
1/2% Gross Receipts Tax	22,588,531	1,053,565
Debt Service	-	10,394,068
Internal Service	137,500	5,358,979
Gross Receipts Tax	25,261,969	-
Capital Equipment Reserve	781,341	-
Franchise Fee	62,000	-
Economic Development	60,000	913,500
Lodger's Tax	9,476,182	-
Emergency Services	123,163	478,142
Resource Conservation	-	995,262
Impact Fee	2,106,645	-
Transportation Grants	-	130,728
Senior Citizen Grants/Programs	-	1,875,993
Library	-	1,053,023
Recreation Programs	-	2,841,681
Facilities CIP	-	2,487,000
Special Projects	-	3,250,000
City Street Projects	1,484,895	5,918,774
CIP Community Development	-	105,027
City Parks and Trails Improvements	-	2,398,482
Waste Water Management	1,680,643	2,479,671
Water Management	4,422,939	4,016,249
Environmental Services	1,573,756	1,564,131
Santa Fe Convention Center	52,286	7,112,304
College of Santa Fe	-	4,161,154
Railyard Properties	-	1,541,943
Municipal Recreation Complex	-	3,580,176
Parking Enterprise	-	2,860,137
Transit Bus System	55,357	9,371,754
Genoveva Chavez Community Center	430,000	3,069,175
<b>Total Transfers</b>	<b>\$ 83,144,147</b>	<b>\$ 83,144,147</b>

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 6: TRANSFERS AND INTERFUND BALANCES (Continued)**

The City records temporary interfund receivables and payables to enable the funds to operate until monies are received. The composition of interfund balances as of June 30, 2024 is as follows:

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ 3,324,162	\$ 1,437,063
1/2% Gross Receipts Tax Fund	707,753	18,247,219
Gross Receipts Tax	15,323,465	-
Waste Water Management	94,053	39,235
Environmental Services	585,447	-
Economic Development	30,346	9,806
Law Enforcement	549,957	-
Community Development	689,978	1,529
Recreation Programs	-	1,010,309
Land Development	-	560,000
<b>Totals</b>	<b>\$ 21,305,161</b>	<b>\$ 21,305,161</b>

**State of New Mexico**  
**City of Santa Fe**  
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**Note 7: CAPITAL ASSETS**

A summary of governmental activities' capital assets and changes occurring during the year ended June 30, 2024, follows. Land, construction in progress, right-of-way, and art are not subject to depreciation.

<b>Governmental activities</b>	<b>Balance June 30, 2023</b>	<b>June 30, 2023 correction</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2024</b>
Capital assets not being depreciated					
Land	\$ 169,939,946	\$ -	\$ 2,109,875	\$ -	\$172,049,821
Construction in progress	74,211,698	(18,828,479)	20,316,226	(24,195,428)	51,504,017
Right-of-Way	78,281	-	-	-	78,281
Art	885,046	-	-	-	885,046
<b>Total capital assets not being depreciated</b>	<b>245,114,971</b>	<b>(18,828,479)</b>	<b>22,426,101</b>	<b>(24,195,428)</b>	<b>224,517,165</b>
Capital assets being depreciated					
Buildings and Structures	66,915,641	-	11,454,100	-	78,369,741
Improvements	105,655,254	-	3,257,268	-	108,912,522
Equipment and Machinery	23,950,306	-	3,622,716	(242,307)	27,330,715
Furniture and Fixtures	1,125,873	-	248,623	-	1,374,496
Vehicles	36,465,787	-	8,618,904	(1,399,300)	43,685,391
Data Processing and Software	12,926,142	-	2,369,798	-	15,295,940
Traffic Signals	23,517,339	-	165,817	-	23,683,156
Streets and bridges	228,580,156	-	6,015,961	-	234,596,117
Right-to-use asset- equipment	40,212	-	168,286	-	208,498
Right-to-use asset- subscriptions	5,601,952	-	-	(320,053)	5,281,899
<b>Total capital assets being depreciated</b>	<b>504,778,662</b>	<b>-</b>	<b>35,921,473</b>	<b>(1,961,660)</b>	<b>538,738,475</b>
<b>Total capital assets</b>	<b>749,893,633</b>	<b>(18,828,479)</b>	<b>58,347,574</b>	<b>(26,157,088)</b>	<b>763,255,640</b>
Accumulated depreciation					
Buildings and Structures	29,092,994	-	1,309,474	-	30,402,468
Improvements	84,713,872	-	5,384,044	-	90,097,916
Equipment and Machinery	16,244,228	-	1,612,106	(242,307)	17,614,027
Furniture and Fixtures	471,561	-	92,038	-	563,599
Vehicles	24,440,019	-	3,144,596	(1,259,915)	26,324,700
Data Processing and Software	9,193,419	-	1,424,721	-	10,618,140
Traffic Signals	23,447,662	-	29,529	-	23,477,191
Streets and bridges	187,461,208	-	3,306,066	-	190,767,274
Right-to-use asset- equipment	40,212	-	34,881	-	75,093
Right-to-use asset- subscriptions	2,061,590	-	2,030,041	(314,022)	3,777,609
<b>Total accumulated depreciation</b>	<b>377,166,765</b>	<b>-</b>	<b>18,367,496</b>	<b>(1,816,244)</b>	<b>393,718,017</b>
<b>Net capital assets</b>	<b>\$ 372,726,868</b>	<b>\$ (18,828,479)</b>	<b>\$ 39,980,078</b>	<b>\$ (24,340,844)</b>	<b>\$369,537,623</b>

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 7: CAPITAL ASSETS (Continued)**

Depreciation expense for the year ended June 30, 2024 was charged to governmental activities as follows:

General Government	\$ 2,003,821
Public Safety	2,460,000
Public Works	7,226,251
Community Development	461,250
Culture and Recreation	4,151,252
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Total	<u>\$ 16,302,574</u>

The City has lease liabilities associated with the right-to-use assets as of June 30, 2024, which are further described in Note 8. Amortization of right-to-use equipment assets and right-to-use subscription assets totaled \$34,881 and \$2,030,041, respectively, for the year ended June 30, 2024, charged to governmental activities.

A summary of business-type activities capital assets and changes occurring during the year ended June 30, 2024 follows. Land, water rights, construction in progress, and art are not subject to depreciation.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 7: CAPITAL ASSETS (Continued)**

<b>Business-type activities</b>	<b>Balance June 30, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2024</b>
Capital assets not being depreciated				
Land	\$ 38,260,558	\$ -	\$ -	\$ 38,260,558
Water Rights	3,434,979			3,434,979
Construction in Progress	90,961,426	27,583,164	(52,290,131)	66,254,459
Art	219,971	-	-	219,971
<b>Total capital assets not being depreciated</b>	<b>132,876,934</b>	<b>27,583,164</b>	<b>(52,290,131)</b>	<b>108,169,967</b>
Capital assets being depreciated				
Buildings and Structures	328,807,354	6,034,393	-	334,841,747
Improvements	155,315,876	390,253	-	155,706,129
Sewerlines and Utility Systems	166,078,679	37,809,384	-	203,888,063
Equipment and Machinery	20,741,833	1,106,971	(87,455)	21,761,349
Furniture and Fixtures	662,843	142,964	-	805,807
Vehicles	38,494,725	5,076,198	(386,773)	43,184,150
Data Processing and Software	2,476,673	93,576	-	2,570,249
Streets	-	8,563,898	-	8,563,898
Right-to-use asset- equipment	335,951	-	-	335,951
Right-to-use asset- subscriptions	75,735	-	(75,735)	-
<b>Total capital assets being depreciated</b>	<b>712,989,669</b>	<b>59,217,637</b>	<b>(549,963)</b>	<b>771,657,343</b>
<b>Total capital assets</b>	<b>845,866,603</b>	<b>86,800,801</b>	<b>(52,840,094)</b>	<b>879,827,310</b>
Accumulated depreciation				
Buildings and Structures	121,317,980	7,587,112	-	128,905,092
Improvements	147,366,521	2,827,861	-	150,194,382
Sewerlines and Utility Systems	112,100,919	4,505,107	-	116,606,026
Equipment and Machinery	18,312,289	2,366,018	(36,060)	20,642,247
Furniture and Fixtures	638,909	8,417	-	647,326
Vehicles	29,438,384	2,378,009	(386,773)	31,429,620
Data Processing and Software	2,468,328	10,361	-	2,478,689
Streets	-	-	-	-
Right-to-use asset- equipment	160,189	80,094	-	240,283
Right-to-use asset- subscriptions	37,868	37,867	(75,735)	-
<b>Total accumulated depreciation</b>	<b>431,841,387</b>	<b>19,800,846</b>	<b>(498,568)</b>	<b>451,143,665</b>
<b>Net capital assets</b>	<b>\$ 414,025,216</b>	<b>\$ 66,999,955</b>	<b>\$ (52,341,526)</b>	<b>\$ 428,683,645</b>

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 7: CAPITAL ASSETS (Continued)**

Depreciation expense for the year ended June 30, 2024 was charged to business-type activities as follows:

Santa Fe Convention Center	\$ 1,212,090
Parking Operations	979,010
Environmental Services	1,616,520
Waste Water Management	2,152,559
Water Management	8,518,330
Municipal Recreation Center	186,210
Genoveva Chavez Community Center	845,306
Airport	1,317,447
Transit Operations	822,672
Railyard	332,567
College of Santa Fe	1,700,174
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Total	\$ 19,682,885
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The City has lease liabilities and subscription liabilities associated with the right-to-use assets as of June 30, 2024, which are further described in Note 8. Amortization of right-to-use assets and right-to-use subscription totaled \$80,094 and \$37,867, respectively for the year ended June 30, 2024, charged to business-type activities.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES**

***Governmental Activities***

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

	Balance June 30, 2023	June 30, 2023 correction	Additions	Deletions	Balance June 30, 2024	Due Within One Year
General obligation						
bonds	\$ 15,250,000	\$ -	\$ -	\$ 1,390,000	\$ 13,860,000	\$ 1,435,000
GRT senior lien						
revenue bonds	33,835,000	-	-	2,602,500	31,232,500	2,683,000
GRT subordinate lien						
revenue bonds	22,839,300	-	-	3,931,300	18,908,000	3,821,000
NMFA notes payable	240,346	-	-	119,243	121,103	121,103
Bank notes payable	16,407,911	-	-	773,113	15,634,798	879,374
CWSRF loan payable	-	1,481,317	-	-	1,481,317	-
Bond premiums	5,830,235	-	-	1,172,203	4,658,032	959,902
Compensated absences	5,175,409	-	2,515,482	1,616,706	6,074,185	1,980,646
Lease liabilities	-	-	168,286	32,763	135,523	35,857
Subscription liabilities	3,261,314	-	-	2,149,339	1,111,975	1,089,164
Claims payable	10,417,341	-	23,682,216	23,281,162	10,818,395	10,818,395
<b>Total long-term liabilities</b>	<b>\$ 113,256,856</b>	<b>\$ 1,481,317</b>	<b>\$ 26,365,984</b>	<b>\$ 37,068,329</b>	<b>\$ 104,035,828</b>	<b>\$ 23,823,441</b>

***General Obligation Bonds***

At June 30, 2024, the City had three general revenue bond outstanding which have been approved by the voters and issued for various municipal improvements. These bonds are liquidated by property tax revenues and paid out of the debt service fund. The general obligation bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2024
Series 2013 GO Bond	7/23/2013	8/1/2032	4.00%	\$ 12,000,000	\$ 6,570,000
Series 2014 GO Bond	8/4/2014	8/1/2034	4.00%	5,800,000	3,765,000
Series 2019 GO Bond	11/14/2019	8/1/2029	5.00%	5,445,000	3,525,000
<b>Total general obligation bonds</b>					<b>\$ 13,860,000</b>

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Governmental Activities (Continued)***

The annual requirements to amortize the general obligation bonds as of June 30, 2024, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 1,435,000	\$ 534,963	\$ 1,969,963
2026	1,490,000	477,753	1,967,753
2027	1,550,000	416,244	1,966,244
2028	1,610,000	350,944	1,960,944
2029	1,680,000	283,019	1,963,019
2030-2034	5,685,000	514,332	6,199,332
2035	410,000	6,919	416,919
<b>Totals</b>	<b>\$ 13,860,000</b>	<b>\$ 2,584,174</b>	<b>\$ 16,444,174</b>

***GRT Senior Lien Revenue Bonds***

At June 30, 2024, the City had three GRT senior lien revenue bonds outstanding which have been approved by the voters and issued for various municipal improvements. These bonds are liquidated by gross receipts tax revenues and paid out of the debt service fund. The GRT senior lien revenue bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2024
Series 2014	9/30/2014	6/1/2029	5.00%	\$ 15,460,000	\$ 11,080,000
Series 2016 B	7/13/2016	6/1/2035	5.00%	15,330,000	3,167,500
Series 2018A	12/11/2018	6/1/2038	5.00%	20,000,000	16,985,000
<b>Total GRT senior lien revenue bonds</b>					<b>\$ 31,232,500</b>

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Governmental Activities (Continued)***

The annual requirements to amortize the GRT senior lien revenue bonds as of June 30, 2024, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 2,683,000	\$ 1,524,560	\$ 4,207,560
2026	2,828,500	1,392,790	4,221,290
2027	3,699,000	1,253,850	4,952,850
2028	3,879,500	1,071,490	4,950,990
2029	4,068,000	885,600	4,953,600
2030-2034	7,643,000	2,726,770	10,369,770
2035-2038	6,431,500	793,110	7,224,610
<b>Totals</b>	<b>\$ 31,232,500</b>	<b>\$ 9,648,170</b>	<b>\$ 40,880,670</b>

***GRT Subordinate Lien Revenue Bonds***

At June 30, 2024, the City had three GRT subordinate lien revenue bonds outstanding which have been approved by the voters and issued for various municipal improvements. These bonds are liquidated by gross receipts tax revenues and paid out of the debt service fund. The GRT subordinate lien revenue bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2024
Series 2013B	7/23/2013	8/1/2032	4.00%	\$ 13,780,000	\$ 9,460,000
Series 2016D	7/13/2016	6/1/2028	5.00%	2,020,000	920,000
Series 2018	2/27/2018	6/1/2028	5.00%	10,290,000	4,745,000
Series 2021	12/14/2021	12/13/2026	5.00%	9,894,000	3,783,000
<b>Total GRT subordinate lien revenue bonds</b>					<b>\$ 18,908,000</b>

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Governmental Activities (Continued)***

The annual requirements to amortize the GRT subordinate lien revenue bonds as of June 30, 2024, including interest payments are as follows:

<b>Fiscal Year</b>				
<b>Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	
2025	\$ 3,821,000	\$ 728,243	\$ 4,549,243	
2026	3,997,000	543,689	4,540,689	
2027	2,150,000	408,125	2,558,125	
2028	2,240,000	316,975	2,556,975	
2029	-	226,675	226,675	
2030-2034	3,130,000	929,925	4,059,925	
2035-2036	3,570,000	249,900	3,819,900	
<b>Totals</b>	<b>\$ 18,908,000</b>	<b>\$ 3,403,532</b>	<b>\$ 22,311,532</b>	

***NMFA Note Payable***

The City entered into a loan agreement with the New Mexico Finance Authority for the purchase of self-contained breathing apparatus and accessories for the Fire Department, wherein the City pledged revenue derived from the Fire Protection Fund annual allocation to cover debt service. This revenue is not subject to intercept agreements. The NMFA loan is as follows:

<b>Description</b>	<b>Date of Issue</b>	<b>Due Date</b>	<b>Interest Rate</b>	<b>Original Amount of Issue</b>	<b>Outstanding June 30, 2024</b>
NMFA Fire PPRF -3458	11/1/2017	5/1/2025	1.630%	\$ 917,815	\$ 121,103
<b>Total NMFA notes payable</b>					<b>\$ 121,103</b>

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Governmental Activities (Continued)***

The annual requirements to amortize the NMFA note payable as of June 30, 2024, including interest payments, are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2025	\$ 121,103	\$ 2,058	\$ 123,161
<b>Totals</b>	<b>\$ 121,103</b>	<b>\$ 2,058</b>	<b>\$ 123,161</b>

***Bank Note Payable***

The City entered into an agreement with Sterling National Bank for the financed purchase of solar power equipment for various City of Santa Fe buildings. Debt service will be paid from the annual savings earned by the City buildings. The bank note is as follows:

<b>Description</b>	<b>Date of Issue</b>	<b>Due Date</b>	<b>Interest Rate</b>	<b>Original Amount of Issue</b>	<b>Outstanding June 30, 2024</b>
Solar Energy Project	3/29/2021	12/1/2039	2.150%	\$ 17,244,894	\$ 15,634,798
<b>Total bank notes payable</b>					<b>\$ 15,634,798</b>

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Governmental Activities (Continued)***

The annual requirements to amortize the bank note payable as of June 30, 2024, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 879,374	\$ 330,678	\$ 1,210,052
2026	925,209	311,571	1,236,780
2027	972,996	291,470	1,264,466
2028	1,022,817	270,334	1,293,151
2029	1,074,747	248,117	1,322,864
2030-2034	4,981,302	892,795	5,874,097
2035-2039	5,186,961	382,859	5,569,820
2040	591,392	6,344	597,736
<b>Totals</b>	<b>\$ 15,634,798</b>	<b>\$ 2,734,168</b>	<b>\$ 18,368,966</b>

***Lease Liabilities***

The City's governmental activities have entered into agreements to lease property. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021. Lease liabilities, right-of-use assets, and lease terms are as follows at June 30, 2024:

	Effective Date	End Date	Monthly Payments	Borrowing Rate	Lease Liability	Right-to-Use Lease Asset, net amortization
Santa Fe Animal Shelter	9/1/2023	6/30/2028	\$ 1,680	2.13%	\$ 77,372	\$ 77,372
Solace Crisis Treatment	7/1/2023	6/30/2027	1,620	2.13%	58,151	56,033
<b>Total</b>					<b>\$ 135,523</b>	<b>\$ 133,405</b>

Lease debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 35,857	\$ 2,455	\$ 38,312
2026	38,505	1,649	40,154
2027	39,907	815	40,722
2028	21,254	195	21,449
<b>Totals</b>	<b>\$ 135,523</b>	<b>\$ 5,114</b>	<b>\$ 140,637</b>

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Governmental Activities (Continued)***

*Subscription Liabilities*

The City has six (6) software arrangements that require recognition under GASBS No. 96. The City now recognizes subscription-based information technology arrangements (SBITA) liabilities and intangible right-to-use subscription assets for various software packages and applications. The City used discount rates as detailed below for the arrangements. There are no residual value guarantees in the agreements.

Subscription liabilities, right-of-use assets, and terms are as follows at June 30, 2024:

Description	Date of Issue	Due Date	Interest Rate	Subscription Liability	Subscription Asset, Net Amortization
Image Trend Inc	10/15/2021	6/1/2025	7.00%	\$ 89,839	\$ 88,341
Tyler Tech Munis	3/22/2017	6/1/2025	7.00%	554,264	610,861
Tyler Technologies	3/22/2017	6/1/2025	7.00%	296,879	250,238
Adobe CDW Agreement	5/26/2022	6/1/2025	7.00%	117,541	118,540
MO 365 Contract #3202628	11/14/2018	12/1/2024	7.00%	-	381,181
Ardham Current 20-0000-21-00014	9/21/2021	4/1/2026	7.00%	53,452	55,129
<b>Total</b>				<b>\$ 1,111,975</b>	<b>\$ 1,504,290</b>

The following is a schedule of minimum future payments from subscription agreements as of June 30, 2024:

Fiscal Year Ending June 30,	Principal	Interest	Total Payments
2024	\$ 1,089,164	\$ 2,777	\$ 1,091,941
2025	22,811	23	22,834
<b>Totals</b>	<b>\$ 1,111,975</b>	<b>\$ 2,800</b>	<b>\$ 1,114,775</b>

*Compensated Absences*

Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2024, compensated absences increased \$898,776 from the prior year accrual. Compensated absences are liquidated by the respective funds in which they are accrued.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Business-Type Activities***

The enterprise funds have incurred various forms of debt which were used for the purposes of constructing, expanding, repairing and making improvements to its property, plant and equipment. The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
GRT senior lien					
revenue bonds	\$ 1,455,000	\$ -	\$ 97,500	\$ 1,357,500	\$ 102,000
GRT subordinate lien					
revenue bonds	5,380,000	-	1,193,000	4,187,000	954,450
Revenue bonds	24,220,000	-	1,555,000	22,665,000	1,635,000
Utility revenue bonds	43,115,000	-	1,707,302	41,407,698	1,765,000
NMFA notes payable	28,639,328	-	2,569,930	26,069,398	2,487,604
Bond premiums	7,760,043	-	857,688	6,902,355	684,909
Compensated absences	1,929,534	769,891	673,993	2,025,432	704,528
Lease liabilities	184,986	-	84,096	100,890	84,098
Subscription liabilities	38,000	-	38,000	-	-
<b>Total long-term liabilities</b>	<b>\$ 112,721,891</b>	<b>\$ 769,891</b>	<b>\$ 8,776,509</b>	<b>\$ 104,715,273</b>	<b>\$ 8,417,589</b>

*GRT Senior Lien Revenue Bonds*

At June 30, 2024, the City had two GRT senior lien revenue bonds outstanding which have been approved by the voters and issued for various municipal improvements. These bonds are liquidated by gross receipts tax revenues and paid out of the enterprise funds. The GRT senior lien revenue bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2024
Series 2016B	7/13/2016	6/1/2023	5.00%	\$ 6,570,000	\$ 1,357,500
<b>Total GRT senior lien revenue bonds</b>					<b>\$ 1,357,500</b>

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Business-Type Activities (Continued)***

The annual requirements to amortize the senior lien revenue bonds as of June 30, 2024, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 102,000	\$ 51,990	\$ 153,990
2026	106,500	47,910	154,410
2027	111,000	43,650	154,650
2028	115,500	39,210	154,710
2029	117,000	36,900	153,900
2030-2034	657,000	110,580	767,580
2035-2038	148,500	5,940	154,440
<b>Totals</b>	<b>\$ 1,357,500</b>	<b>\$ 336,180</b>	<b>\$ 1,693,680</b>

*GRT Subordinate Lien Revenue Bonds*

At June 30, 2024, the City had four GRT subordinate lien revenue bonds outstanding which have been approved by the voters and issued for various municipal improvements. These bonds are liquidated by gross receipts tax revenues and paid out of the enterprise funds. The GRT subordinate lien revenue bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2024
Series 2017	6/2/2017	6/1/2033	4.00%	\$ 4,530,000	\$ 2,775,000
Series 2021	12/14/2021	12/13/2026	5.00%	13,590,000	1,412,000
Total GRT subordinate lien revenue bonds					<b>\$ 4,187,000</b>

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Business-Type Activities (Continued)***

The annual requirements to amortize the subordinate lien revenue bonds as of June 30, 2024, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 954,450	\$ 142,408	\$ 1,096,858
2026	1,003,000	99,607	1,102,607
2027	290,000	73,486	363,486
2028	295,000	64,902	359,902
2029	305,000	55,786	360,786
2030-2033	1,339,550	118,015	1,457,565
Totals	\$ 4,187,000	\$ 554,204	\$ 4,741,204

***Revenue Bonds***

At June 30, 2024, the City had two revenue bonds outstanding which have been approved by the voters and issued for specific improvements. These bonds are liquidated through the operations of the business-type activities for which they were issued. These revenue bonds are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2024
Series 2015 Convention Center	4/8/2015	6/15/2035	4.00%	\$ 21,287,700	\$ 14,278,950
Series 2015 Parking	4/8/2015	6/15/2035	4.00%	12,502,300	8,386,050
Total revenue bonds					\$ 22,665,000

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Business-Type Activities (Continued)***

The annual requirements to amortize the revenue bonds as of June 30, 2024, including interest payments, are as follows:

<b>Fiscal Year</b>				
<b>Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	
2025	\$ 1,635,000	\$ 930,409	\$ 2,565,409	
2026	1,720,000	847,024	2,567,024	
2027	1,810,000	759,304	2,569,304	
2028	1,900,000	666,994	2,566,994	
2029	1,995,000	570,094	2,565,094	
2030-2034	8,730,000	1,792,440	10,522,440	
2035	4,875,000	175,500	5,050,500	
<b>Totals</b>	<b>\$ 22,665,000</b>	<b>\$ 5,741,765</b>	<b>\$ 28,406,765</b>	

***Utility Revenue Bonds***

At June 30, 2024, the City had two utility revenue bonds outstanding which have been approved by the voters for utility improvements. These bonds are liquidated through the revenues of the Water and Water and Wastewater enterprise funds. The utility revenue bonds are as follows:

<b>Description</b>	<b>Date of Issue</b>	<b>Due Date</b>	<b>Interest Rate</b>	<b>Original Amount of Issue</b>	<b>Outstanding June 30, 2024</b>
Series 2016	6/14/2016	6/1/2039	5.00%	\$ 36,665,000	\$ 29,047,698
Series 2019	3/20/2019	6/1/2038	5.00%	13,550,000	12,360,000
<b>Total utility revenue bonds</b>					<b>\$ 41,407,698</b>

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Business-Type Activities (Continued)***

The annual requirements to amortize the revenue bonds as of June 30, 2024, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2025	\$ 1,765,000	\$ 1,698,200	\$ 3,463,200
2026	1,855,000	1,609,950	3,464,950
2027	1,910,000	1,552,600	3,462,600
2028	1,975,000	1,493,250	3,468,250
2029	2,070,000	1,394,500	3,464,500
2030-2034	14,985,000	5,245,000	20,230,000
2035-2039	16,847,698	2,288,600	19,136,298
<b>Totals</b>	<b>\$ 41,407,698</b>	<b>\$ 15,282,100</b>	<b>\$ 56,689,798</b>

***NMFA Loans***

The City entered into loan agreements with the New Mexico Finance Authority, wherein the City pledged revenue from various sources to service debt. These loans are as follows:

Description	Date of Issue	Due Date	Interest Rate	Original Amount of Issue	Outstanding June 30, 2024
NMFA 2014 Fleet	12/1/2014	6/1/2026	2.59%	\$ 3,500,000	\$ 654,714
NMFA DW #2 Buckman	12/1/2008	6/1/2038	1.75%	15,150,000	4,368,611
NMFA DW #4	12/1/2013	6/1/2035	1.75%	2,525,000	1,376,073
NMFA Refunding 2019	7/12/2019	12/1/2030	3.60%	23,705,000	19,055,000
NMFA 2019 Parking	8/1/2019	6/1/2027	1.90-2.15%	1,575,000	615,000
<b>Total NMFA loans</b>					<b>\$ 26,069,398</b>

The NMFA 2014 loan was secured for the purpose of purchasing transit buses. This loan will be repaid from the municipal gross receipts tax share allocated to Transit.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Business-Type Activities (Continued)***

Buckman Direct Diversion Project Notes NMFA DW #2 and DW #4 were secured as part of the City’s role as fiscal agent for the Buckman Direct Diversion Project, a regional water project. The notes were secured to partially fund construction of the Project and to partially fund a solar photovoltaic system for the Project, respectively.

The NMFA Refunding 2019 loan was a refinancing of a previous NMFA loan used to acquire and improve land, buildings, and other real property owned by the Santa Fe University of Art and Design. The debt is serviced through the payment of rent on the property to the City.

The NMFA Parking loan was secured for the purpose of building a parking structure.

The NMFA Environmental loan was secured for the purchase of recycling carts for the Environmental Services enterprise fund. Net revenues of this fund have been pledged to service this debt.

The annual requirements to amortize the NMFA notes payable as of June 30, 2024, including interest payments, are as follows:

<b>Fiscal Year</b>	<b>Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2025	\$	2,487,604	\$ 810,252	\$ 3,297,856
2026		2,551,559	752,314	3,303,873
2027		2,274,127	689,878	2,964,005
2028		2,114,253	635,154	2,749,407
2029		2,169,783	582,087	2,751,870
2030-2034		6,977,072	2,175,192	9,152,264
2035-2039		7,495,000	889,787	8,384,787
<b>Totals</b>	<b>\$</b>	<b>26,069,398</b>	<b>\$ 6,534,664</b>	<b>\$ 32,604,062</b>

***Compensated Absences*** – Employees of the City are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2024, compensated absences increased \$95,898 in business-type funds from the prior year. Compensated absences are liquidated by the respective funds in which they are accrued.

Internal Service Funds predominantly serve governmental funds. Accordingly, long-term liabilities for these are included as part of the totals for governmental activities. At year-end, \$347,755 of internal service fund compensated absences is included in the above amounts. The General Fund is typically used to pay off other long-term liabilities.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 8: LONG-TERM LIABILITIES (Continued)**

***Business-Type Activities (Continued)***

*Lease Liabilities- Business-Type Activities*

The City's business-type activities have entered into agreements to lease equipment. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021.

Lease liabilities, right-of-use assets, and lease terms are as follows at June 30, 2024:

	Effective Date	End Date	Monthly Payments	Borrowing Rate	Lease Liability	Right-to-Use Lease Asset, net amortization
Golf Carts	12/9/2021	9/1/2025	\$ 6,675	0.40%	\$ 100,890	\$ 95,668
<b>Total</b>					<b>\$ 100,890</b>	<b>\$ 95,668</b>

Lease debt service requirements to maturity are as follows:

Year Ending	June 30,	Principal	Interest	Total
2024	\$	84,098	\$ 221	\$ 84,319
2025		16,792	3	16,795
<b>Totals</b>	<b>\$</b>	<b>100,890</b>	<b>\$ 224</b>	<b>\$ 101,114</b>

*Subscription Liabilities*

The City has 1 software arrangements that requires recognition under GASBS No. 96. The City now recognizes subscription-based information technology arrangements (SBITA) liabilities and intangible right-to-use subscription assets for various software packages and applications. The City used discount rates as detailed below for the arrangements. There are no residual value guarantees in the agreements.

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**Notes to Financial Statements**

**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/Dental Fund, and Workers' 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, 2024, such interfund 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.

The Workers' Compensation Fund accounts for the self-insured program and for workers' compensation coverage. Claims are handled by a professional, third-party claims administrator. The City maintains specific stop loss coverage for individual claims in excess of \$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.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 9: RISK MANAGEMENT (Continued)**

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 claim liabilities during the past two years are as follows:

	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year-End</b>
<b>2022-2023</b>				
Risk Management Fund	\$ 2,995,666	\$ 4,067,781	\$ 2,231,167	\$ 4,832,280
Santa Fe Health/Dental Fund	1,530,000	17,662,033	17,869,033	1,323,000
Workers' Compensation Fund	3,896,771	1,566,899	1,201,609	4,262,061
Unemployment Claims Fund	-	39,547	39,547	-
<b>Total</b>	<b>\$ 8,422,437</b>	<b>\$ 23,336,260</b>	<b>\$ 21,341,356</b>	<b>\$ 10,417,341</b>
<b>2023-2024</b>				
Risk Management Fund	\$ 4,832,280	\$ 2,255,628	\$ 2,124,217	\$ 4,963,691
Santa Fe Health/Dental Fund	1,323,000	20,110,241	19,950,241	1,483,000
Workers' Compensation Fund	4,262,061	1,237,745	1,128,102	4,371,704
Unemployment Claims Fund	-	78,602	78,602	-
<b>Total</b>	<b>\$ 10,417,341</b>	<b>\$ 23,682,216</b>	<b>\$ 23,281,162</b>	<b>\$ 10,818,395</b>

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 10: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balance of individual funds.

<b>Governmental Funds</b>	
<b>Major Funds</b>	
<hr/>	
1/2% Gross Receipts Tax	\$ (2,554,719)
<b>Nonmajor Funds</b>	
<hr/>	
Franchise Fee	(430)
NEA Grants	(28,984)
<hr/>	
Total nonmajor funds	(29,414)
<hr/>	
Total governmental funds	\$ (2,584,133)
<hr/> <hr/>	
<b>Internal Service Funds</b>	
<hr/>	
Risk Management	\$ (3,934,964)
Workers' Compensation	(2,240,020)
Services to Other Departments	(11,781,062)
<hr/>	
Total internal service funds	\$ (17,956,046)
<hr/> <hr/>	

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 10: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (Continued)**

- B. Actual expenditures in excess of amount budgeted at the budgetary authority level. Budgetary legal level of control is at the fund level. The City had no funds that exceeded budget at the fund level for the year ended June 30, 2024.
- C. Designated cash appropriations in excess of available balances. The following funds had designated cash appropriations in excess of available amounts for the year ended June 30, 2024:

	<b>Budgeted Deficit - Cash Appropriations</b>	<b>Beginning Year Cash &amp; AR Available</b>	<b>Cash Appropriation in Excess of Available</b>
<b>Governmental Funds</b>			
<b>Non Major Funds</b>			
Capital Equipment Reserve Fund	\$ (803,571)	\$ 137,069	\$ (666,502)

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

***General Information about the Pension Plan***

***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 (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), 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, unless specifically excluded.

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

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

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City of Santa Fe  
Notes to Financial Statements**

**Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)**

***General Information about the Pension Plan (Continued)***

**Contributions.** See PERA's Annual Comprehensive Financial Report for a summary of various statutory PERA coverage rates, for both Tier I and Tier II, on page 36 of the annual audit report at <http://www.nmpera.org/financial-overview/retirement-fund-valuation-reports/>. The PERA coverage options that apply to the City are: Municipal General Division. Municipal Fire Division and Municipal Police Division. Statutorily required contributions to the pension plan from the City were \$11,289,958.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*** The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability was rolled forward from the valuation date to the plan year ending June 30, 2022 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2023. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2023. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

**For PERA Fund Municipal General Division,** at June 30, 2024, the City reported a liability of \$102,554,027 for its proportionate share of the net pension liability. At June 30, 2023, the City's proportion was 4.8432 percent, which increased from its proportion measured as of June 30, 2022, by 0.2104 percent.

For the year ended June 30, 2024, the City recognized PERA Fund Municipal General Division pension expense of \$12,132,244. At June 30, 2024, the City reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 7,697,101	\$ 1,251,587
Net difference between projected and actual earnings on pension plan investments	9,642,497	-
Changes of assumption	-	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	2,580,379	1,139,226
City's contributions subsequent to the measurement date	6,580,131	-
<b>Total</b>	<b>\$ 26,500,108</b>	<b>\$ 2,390,813</b>

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)**

***General Information about the Pension Plan (Continued)***

\$6,580,131 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2023 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2024	\$ 5,086,859
2025	2,180,486
2026	9,383,820
2027	877,999
Thereafter	-
<b>Total</b>	<b>\$ 17,529,164</b>

**For PERA Fund Municipal Police Division**, at June 30, 2024, the City reported a liability of \$40,803,876 for its proportionate share of the net pension liability. At June 30, 2023, the City's proportion was 4.2311 percent, which increased from its proportion measured as of June 30, 2022, by 0.4491 percent.

For the year ended June 30, 2024, the City recognized PERA Fund Municipal Police Division pension expense of \$6,528,639. At June 30, 2024, the City reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,495,347	\$ -
Net difference between projected and actual earnings on pension plan investments	3,388,883	-
Changes of assumption	-	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	2,392,082	213,491
City's contributions subsequent to the measurement date	2,166,919	-
<b>Total</b>	<b>\$ 11,443,231</b>	<b>\$ 213,491</b>

**State of New Mexico**  
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**Notes to Financial Statements**

**Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)**

***General Information about the Pension Plan (Continued)***

\$2,166,919 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2023 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2024	\$ 3,317,212
2025	1,786,815
2026	3,649,387
2027	309,407
Thereafter	-
<b>Total</b>	<b>\$ 9,062,821</b>

**For PERA Fund Municipal Fire Division**, at June 30, 2024, the City reported a liability of \$57,993,806 for its proportionate share of the net pension liability. At June 30, 2023, the City's proportion was 6.4382 percent, which decreased from its proportion measured as of June 30, 2022, by 0.0075 percent.

For the year ended June 30, 2024, the City recognized PERA Fund Municipal Fire Division pension expense of \$7,130,797. At June 30, 2024, the City reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 4,579,511	\$ 14,793
Net difference between projected and actual earnings on pension plan investments	2,464,068	-
Changes of assumptions	-	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	934,524	360,690
City's contributions subsequent to the measurement date	2,542,908	-
<b>Total</b>	<b>\$ 10,521,011</b>	<b>\$ 375,483</b>

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)**

***General Information about the Pension Plan (Continued)***

\$2,542,908 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2023 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2024	\$ 2,856,083
2025	1,802,475
2026	2,722,512
2027	221,550
Thereafter	-
Total	\$ 7,602,620

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

Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry Age Normal
Amortization period	25 years
Asset valuation method	Level Percentage of Payroll for all divisions except for the Legislative division which is Level Dollar
Actuarial Assumptions:	
Investment rate of return, net	7.25% annual rate
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
Mortality assumptions	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projection scale generational. For nonpublic safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups.
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2017 (economic).

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)**

***General Information about the Pension Plan (Continued)***

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

The long-term expected rate of return on pension plan investments was determined using a building-block method 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 allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 11: PENSION PLAN - PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)**

***General Information about the Pension Plan (Continued)***

***Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.***

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

<b>PERA Fund Municipal General Division</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
City's proportionate share of the net pension liability	\$ 148,688,013	\$ 102,554,027	\$ 64,197,285

<b>PERA Fund Municipal Police Division</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
City's proportionate share of the net pension liability	\$ 58,760,959	\$ 40,803,876	\$ 26,105,063

<b>PERA Fund Municipal Fire Division</b>	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
City's proportionate share of the net pension liability	\$ 74,951,399	\$ 57,993,806	\$ 44,075,541

***Pension plan fiduciary net position.*** Detailed information about the pension plan's fiduciary net position is available in the separately issued PERA financial report.

***Payables to the pension plan.*** At June 30, 2024 there were no contributions due and payable to PERA for the City.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 12: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

***General Information about the OPEB***

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

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

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

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

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

**State of New Mexico  
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Notes to Financial Statements**

**Note 12: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)**

***General Information about the OPEB (Continued)***

**Contributions** – Employer and employee contributions to the Fund total 3% for non-enhanced 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. Contributions to the Fund from the City were \$1,759,581 for the year ended June 30, 2024.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At June 30, 2024, the City reported a liability of \$23,791,710 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022 and rolled forward to June 30, 2023. The City’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2023. At June 30, 2023, the City’s proportion was 1.3971 percent.

For the year ended June 30, 2024, the City recognized OPEB benefit of (\$8,260,973). At June 30, 2024 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of assumptions	\$ 4,578,637	\$ 22,443,577
Net difference between projected and actual earnings on pension plan investments	508,702	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,570,235	5,380,685
Difference between expected and actual experience	402,201	4,307,504
City's contributions subsequent to the measurement date	1,759,581	-
<b>Total</b>	<b>\$ 8,819,356</b>	<b>\$ 32,131,766</b>

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 12: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)**

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

Deferred outflows of resources totaling \$1,759,581 represent the City’s contributions to the Fund made subsequent to the measurement date and will be recognized as a reduction of net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>	
2023	\$ (8,153,720)
2024	(5,799,395)
2025	(6,484,441)
2026	(3,652,493)
2027	(981,942)
<b>Total</b>	<b>\$ (25,071,991)</b>

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

Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry age normal, level percent of pay, calculated on individual employee basis
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation	2.30% for ERB members; 2.50% for PERA members.
Projected payroll increases	3.00% to 13.00%, based on years of service, including inflation
Investment rate of return	7.00%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health care cost trend rate	8% graded down to 4.5% over 14 years for Non-Medicare medical plan costs and 8.5% graded down to 4.5% over 16 years for Medicare medical plan costs
Mortality	ERB members: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount-eighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017 times 60%.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 12: POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)**

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

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

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

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

**Discount Rate.** The discount rate used to measure the Fund’s total OPEB liability is 6.22% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates proportional to the actuary determined contribution rates. For this purpose, employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included. Based on those assumptions, the 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, 2059. The 7.00% discount rate, which includes the assumed inflation rate of 2.50% for PERA members, was used to calculate the net OPEB liability through 205. Beyond 2059, the index rate for a 20-year, tax exempt general obligation municipal bond with an average rating of AA/Aa or higher (3.54%) was applied. Thus, 6.22% is the blended discount rate.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 12: OTHER POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (Continued)**

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

***Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates.***

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 or 1-percentage-point higher than the current discount rate:

1% Decrease (5.22%)	Current Discount Rate (6.22%)	1% Increase (7.22%)
\$ 29,995,508	\$ 23,791,710	\$ 18,762,995

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 Rates	1% Increase
\$ 19,697,140	\$ 23,791,710	\$ 28,494,263

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

***Payable Changes in the Net OPEB Liability.*** At June 30, 2024, the City did not have amounts payable to the NMRHCA.

**Note 13: CONTINGENT LIABILITIES**

The City is party to various claims and lawsuits arising in the normal course of business. 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.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 14: 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.

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.

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 15: RESTRICTED NET POSITION**

The government-wide statement of net position reports \$101,198,694 of restricted net position for governmental activities, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, capital projects, and debt service funds, see pages 57 and 141-143.

**Note 16: FUND BALANCE**

Fund balances on the modified accrual basis were classified as follows as of June 30, 2024:

	General Fund	Community Development Grants Fund	1/2% Gross Receipts Tax Fund	Debt Service Fund
Fund balances				
Nonspendable				
Inventories	\$ 73,408		\$ -	\$ -
Restricted for				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	5,798,739	-	-
Culture and recreation	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	3,177,688
Assigned to				
General government	1,278,450	-	-	-
Unassigned (deficit)	82,043,517	-	(2,554,719)	-
<b>Total fund balances</b>	<b>\$ 83,395,375</b>	<b>\$ 5,798,739</b>	<b>\$ (2,554,719)</b>	<b>\$ 3,177,688</b>

(Continued)

**State of New Mexico  
City of Santa Fe  
Notes to Financial Statements**

**Note 16: FUND BALANCE (Continued)**

	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Fund balances		
Nonspendable		
Inventories	\$ -	\$ 73,408
Restricted for		
General government	40,583,157	40,583,157
Public safety	14,218,726	14,218,726
Public works	16,048,553	16,048,553
Community development	361,336	6,160,075
Culture and recreation	4,246,576	4,246,576
Capital projects	22,959,020	22,959,020
Debt service	-	3,177,688
Assigned to		
General government	-	1,278,450
Unassigned (deficit)	(29,414)	79,459,384
<b>Total fund balances</b>	<b>\$ 98,387,954</b>	<b>\$ 188,205,037</b>

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 17: 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 disclosure of agreements and abated taxes, as well as agreement entered into by other governments and entities who abated taxes that affected the City.

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	341-A
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 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 Tax	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	\$19,399
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 Sections 1 and 2 and the enabling	N/A

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 17: TAX ABATEMENTS (Continued)**

<b>Agency number for Agency making the disclosure (Abating Agency)</b>	6160
<b>Abating Agency Name</b>	City of Santa Fe, New Mexico
<b>Abating Agency Type</b>	Municipal Government
<b>Tax Abatement Agreement Name</b>	El Castillo Retirement Residences
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	County of Santa Fe, New Mexico
<b>Agency number of Affected Agency</b>	341-A
<b>Agency type of Affected Agency</b>	County Government
<b>Recipient(s) of tax abatement</b>	El Castillo Retirement Residences
<b>Tax abatement program (name and brief description)</b>	Industrial Revenue Bond for the construction of an adult residential retirement facility to be located at 401 Old Taos Highway, Santa Fe, NM.
<b>Specific Tax(es) Being Abated</b>	Property Tax
<b>Authority under which abated tax would have been paid to Affected Agency Tax</b>	New Mexico Industrial Revenue Bond Act, Chapter 3, Article 32 NMSA 1978, as amended (the "Act") to issue industrial revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to pay, among other things, the cost of acquisition, construction and installation of certain facilities constituting a 501(c) (3) corporation project (as defined und the Act) and for the purposes of refinancing a 501(c)(3) corporation project in accordance with Section 3-32-6 NMSA 1978
<b>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</b>	\$19,351
<b>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</b>	\$0.00
<b>If the Abating Agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omissionSections 1 and 2 and the enabling</b>	N/A

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 18: CONCENTRATIONS**

The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the City is subject to changes in the specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

**Note 19: 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.

In the normal course of operations, the City receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

**Note 20: SUBSEQUENT EVENTS**

On August 14, 2024, the City's Governing Body approved a resolution to submit to the November 5, 2024 General Election ballot a question of the issuance of its general obligation bonds in the maximum principal amount of \$25 million to be repaid from property taxes for the purpose of improving roads and streets within the City. The bond question was approved by voters and the City plans to issue some or all of the authorized bonds in calendar year 2025. The bonds are expected to have a repayment term of 20 years and an anticipated annual interest rate of approximately 4.5%.

On August 14, 2024, the City's Governing Body adopted an ordinance authorizing the City to enter into a loan agreement with the New Mexico Environment Department (NMED) for the purpose of obtaining project loan funds in the amount of up to \$151 million, plus accrued interest, to assist in financing improvements to the City's Water, Wastewater and Environmental Services public utility systems. The project loan funds are expected to consist of \$114 million for improvements to the Wastewater system, \$17 million for the Water system, and \$20 million for the Environmental Services system. The loan principal and interest will be repaid with pledged revenues of the Water Management, Wastewater Management and Environmental Services enterprise funds. Utility rate increases are being considered to ensure sufficient revenues are available to meet future debt service obligations.

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Financial Statements**

**Note 20: SUBSEQUENT EVENTS (Continued)**

NMED intends to fund the loan agreement with funds that include a one-time federal grant to the NMED from the Environmental Protection Agency (EPA) and under the terms of the loan agreement, the project loan funds will be subject to specific requirements of the federal grant. The NMED has agreed to disburse the proceeds over the construction period of the project and loan proceeds are expected to be drawn in phases. The total principal amount of the loan shall not exceed \$151 million, and the annual interest rate on that principal amount shall not exceed 0.01% percent.

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# REQUIRED SUPPLEMENTARY INFORMATION



**State of New Mexico**  
**City of Santa Fe**  
**Schedule of the City's Proportionate Share of**  
**the Net Pension Liability of PERA Fund**  
**Public Employees Retirement Association (PERA) Plan**  
**Last 10 Fiscal Years**

	June 30,			
Fiscal Year	2024	2023	2022	2021
Measurement Date	2023	2022	2021	2020
City of Santa Fe's proportion of the net pension liability				
Municipal General	4.84%	4.63%	4.61%	4.98%
Municipal Police	4.23%	3.78%	3.74%	3.91%
Municipal Fire	6.44%	6.45%	6.14%	6.38%
City of Santa Fe's proportionate share of the net pension liability				
Municipal General	\$ 102,554,027	\$ 82,172,010	\$ 51,959,877	\$ 100,650,298
Municipal Police	40,803,876	30,394,382	19,337,294	33,544,013
Municipal Fire	57,993,806	48,951,798	37,243,200	48,260,429
	<u>\$ 201,351,709</u>	<u>\$ 161,518,190</u>	<u>\$ 108,540,371</u>	<u>\$ 182,454,740</u>
City of Santa Fe's covered payroll				
Municipal General	\$ 52,773,846	\$ 45,070,560	\$ 44,932,990	\$ 43,261,864
Municipal Police	11,361,204	9,212,824	8,662,615	8,256,683
Municipal Fire	11,036,366	10,096,995	8,408,680	7,980,522
	<u>\$ 75,171,416</u>	<u>\$ 64,380,379</u>	<u>\$ 62,004,285</u>	<u>\$ 59,499,069</u>
City of Santa Fe's proportionate share of the net pension liability as a percentage of its covered payroll				
Municipal General	194.33%	182.32%	115.64%	232.65%
Municipal Police	359.15%	329.91%	223.23%	406.26%
Municipal Fire	525.48%	484.82%	442.91%	604.73%
Plan fiduciary net position as a percentage of the total pension liability				
Municipal General	67.26%	69.35%	77.25%	66.36%
Municipal Police	67.26%	69.35%	77.25%	66.36%
Municipal Fire	67.26%	69.35%	77.25%	70.30%

*See notes to required supplementary information.*

June 30,

2020 2019	2019 2018	2018 2017	2017 2016	2016 2015	2015 2014
5.04%	5.04%	5.26%	5.28%	5.46%	5.00%
4.01%	4.51%	4.73%	4.49%	4.71%	4.00%
6.44%	6.64%	6.76%	7.07%	6.89%	7.17%
\$ 87,167,781	\$ 80,279,724	\$ 72,228,756	\$ 84,294,324	\$ 55,705,113	\$ 42,647,687
29,585,909	30,741,220	26,273,806	33,098,305	22,640,627	15,588,474
44,258,054	42,523,848	38,675,254	47,146,743	35,553,318	29,910,003
<u>\$ 161,011,744</u>	<u>\$ 153,544,792</u>	<u>\$ 137,177,816</u>	<u>\$ 164,539,372</u>	<u>\$ 113,899,058</u>	<u>\$ 88,146,164</u>
\$ 45,942,073	\$ 46,293,968	\$ 46,164,487	\$ 45,175,990	\$ 45,329,706	\$ 44,378,612
8,909,101	7,518,896	9,746,730	8,900,280	9,228,017	9,209,308
8,569,312	8,442,319	7,848,810	7,848,810	7,848,819	7,981,492
<u>\$ 63,420,486</u>	<u>\$ 62,255,183</u>	<u>\$ 63,760,027</u>	<u>\$ 61,925,080</u>	<u>\$ 62,406,542</u>	<u>\$ 61,569,412</u>
189.73%	173.41%	156.46%	186.59%	122.89%	96.10%
332.09%	408.85%	269.57%	371.88%	245.35%	169.27%
516.47%	503.70%	492.75%	600.69%	452.98%	0.00%
70.52%	71.13%	73.74%	69.18%	76.99%	81.29%
70.52%	71.13%	73.74%	69.18%	76.99%	81.29%
70.52%	71.13%	73.74%	69.18%	76.99%	81.29%

*See notes to required supplementary information.*

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of the City's Contributions**  
**Public Employees Retirement Association (PERA) Plan**  
**Last 10 Fiscal Years\***

<b>As of and for the Year Ended June 30,</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Contractually required contribution				
Municipal General	\$ 6,580,131	\$ 5,422,738	\$ 4,417,264	\$ 4,403,433
Municipal Police	2,166,919	2,168,646	1,764,256	1,663,222
Municipal Fire	2,542,908	2,544,910	2,211,188	1,841,501
	<u>\$ 11,289,958</u>	<u>\$ 10,136,294</u>	<u>\$ 8,392,708</u>	<u>\$ 7,908,156</u>
Contributions in relation to the contractually required contribution				
Municipal General	\$ (6,580,131)	\$ (5,422,738)	\$ (4,417,264)	\$ (4,403,433)
Municipal Police	(2,166,919)	(2,168,646)	(1,764,256)	(1,663,222)
Municipal Fire	(2,542,908)	(2,544,910)	(2,211,188)	(1,841,501)
	<u>\$ (11,289,958)</u>	<u>\$ (10,136,294)</u>	<u>\$ (8,392,708)</u>	<u>\$ (7,908,156)</u>
Contribution deficiency (excess)				
Municipal General	\$ -	\$ -	\$ -	\$ -
Municipal Police	-	-	-	-
Municipal Fire	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City of Santa Fe's covered payroll				
Municipal General	\$ 56,249,517	\$ 52,773,846	\$ 45,070,560	\$ 44,932,990
Municipal Police	11,846,697	11,361,204	9,212,824	8,662,615
Municipal Fire	12,410,269	11,036,366	10,096,995	8,408,680
	<u>\$ 80,506,483</u>	<u>\$ 75,171,416</u>	<u>\$ 64,380,379</u>	<u>\$ 62,004,285</u>
Contributions as a percentage of covered payroll				
Municipal General	10.80%	10.30%	9.80%	9.80%
Municipal Police	22.90%	22.40%	19.15%	19.15%
Municipal Fire	20.15%	19.65%	21.90%	21.90%

*See notes to required supplementary information.*

	2020	2019	2018	2017	2016	2015
\$	4,131,508	\$ 4,387,468	\$ 4,421,074	\$ 4,408,708	\$ 4,167,065	\$ 8,958,197
	1,560,513	1,683,820	1,799,071	1,842,132	1,682,505	2,975,446
	1,727,783	1,855,256	1,827,762	1,773,462	1,682,505	2,975,446
\$	7,419,804	\$ 7,926,544	\$ 8,047,907	\$ 8,024,302	\$ 7,532,075	\$ 14,909,089
\$	(4,131,508)	\$ (4,387,468)	\$ (4,421,074)	\$ (4,408,708)	\$ (4,167,065)	\$ (8,958,197)
	(1,560,513)	(1,683,820)	(1,799,071)	(1,842,132)	(1,682,505)	(2,975,446)
	(1,727,783)	(1,855,256)	(1,827,762)	(1,773,462)	(1,682,505)	(2,975,446)
\$	(7,419,804)	\$ (7,926,544)	\$ (8,047,907)	\$ (8,024,302)	\$ (7,532,075)	\$ (14,909,089)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	43,261,864	\$ 45,942,073	\$ 46,293,968	\$ 46,164,487	\$ 45,175,990	\$ 45,329,706
	8,256,683	8,909,101	7,518,896	9,746,730	8,900,280	9,228,017
	7,980,522	8,569,312	8,442,319	7,848,810	7,848,810	7,848,819
\$	59,499,069	\$ 63,420,486	\$ 62,255,183	\$ 63,760,027	\$ 61,925,080	\$ 62,406,542
	9.80%	9.55%	9.55%	9.55%	9.55%	9.55%
	19.15%	18.90%	18.90%	18.90%	18.90%	18.90%
	21.90%	21.65%	21.65%	21.65%	21.65%	21.65%

See notes to required supplementary information.

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

<b>Fiscal Year Measurement Date</b>	<b>June 30,</b>		
	<b>2024 2023</b>	<b>2023 2022</b>	<b>2022 2021</b>
City of Santa Fe's proportion of the net OPEB liability	1.39710%	1.34735%	1.36373%
City of Santa Fe's proportionate share of the net OPEB liability	\$ 23,791,710	\$ 31,145,376	\$ 44,871,488
City of Santa Fe's covered-employee payroll	74,563,014	63,772,953	62,040,365
City of Santa Fe's proportionate share of the net OPEB liability as a percentage of its covered payroll	31.91%	48.84%	72.33%
Plan fiduciary net position as a percentage of the total OPEB liability	44.16%	33.33%	25.39%

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

*See notes to required supplementary information.*

June 30,			
2021 2020	2020 2019	2019 2018	2018 2017
1.44720%	1.57395%	1.60610%	1.54336%
\$ 60,766,670	\$ 49,562,956	\$ 69,838,711	\$ 69,732,971
59,640,075	61,730,000	64,392,990	61,850,783
101.89%	80.29%	108.18%	108.79%
16.50%	18.92%	11.34%	11.34%

*See notes to required supplementary information.*

**State of New Mexico  
City of Santa Fe  
Schedule of Employer Contributions  
New Mexico Retiree Health Care Authority (NMRHCA) Plan  
Last 10 Fiscal Years\***

<b>As of and for the Year Ended June 30,</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
Contractually required contributions	\$ 1,759,581	\$ 1,600,216	\$ 1,352,060
Contributions in relation to the contractually required contribution	(1,759,581)	(1,600,216)	(1,352,060)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City of Santa Fe's covered payroll	\$ 79,838,999	\$ 74,563,014	\$ 63,772,953
Contributions as a percentage of covered payroll	2.00%	2.00%	2.00%

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

*See notes to required supplementary information.*

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
\$ 1,328,945	\$ 1,277,038	\$ 1,321,022	\$ 1,375,677
(1,328,945)	(1,277,038)	(1,321,022)	(1,375,677)
\$ -	\$ -	\$ -	\$ -
\$ 62,040,365	\$ 59,640,075	\$ 61,730,000	\$ 64,392,990
2.00%	2.00%	2.00%	2.00%

*See notes to required supplementary information.*

**State of New Mexico**  
**City of Santa Fe**  
**Notes to Required Supplementary Information**

**Public Employees Retirement Association (PERA) Plan**

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

**Changes of assumptions.** The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 2022 report is available at <http://www.nmpera.org/financial-overview/retirement-fund-valuation-reports/>.

**New Mexico Retiree Health Care Authority (MRHCA)**

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

**Changes of assumptions.** The New Mexico Retiree Healthcare Authority (NMRHCA) Actuarial Valuation as of June 30, 2021 report is available at <http://nmrhca.org/financial-documents>. See the notes to the financial statements beginning on page 12 which summarizes actuarial assumptions and methods effective with the June 30, 2021 valuation.

In the total OPEB liability measured at June 30, 2022, changes in assumptions include adjustments resulting from an increase in the discount rate from 3.62% to 5.42%.



## SUPPLEMENTARY INFORMATION



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**State of New Mexico**  
**City of Santa Fe**  
**Nonmajor Governmental Fund Descriptions**

**SPECIAL REVENUE FUNDS**

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.

**Gross Receipts Tax Fund** - 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.

**Franchise Fee Fund** – to account for proceeds from the franchise fee collected from Comcast. NMSA 1978 Article 38 Licenses and Taxes 3-38-1

**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 Nos. 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 Financing** – to account for contributions given to any candidate who is seeking election to a Santa Fe City municipal office. Ordinance Nos. 2009-44 and 2011-28

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

**Emergency Services** – to account for grants from the state of New Mexico. The grants are used to upgrade emergency medical services. Section 24-10A-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 Ordinance 7-19D-10.

**Law Enforcement** – 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.

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

**City Drainage Fund** – to account for expenditures related to drainage projects. Santa Fe City Code Chapter XIII – STORMWATER UTILITY / 13-1 STORMWATER UTILITY SERVICE CHARGE / 13.1.7

**State of New Mexico**  
**City of Santa Fe**  
**Nonmajor Governmental Fund Descriptions**

**SPECIAL REVENUE FUNDS (Continued)**

**Impact Fee Fund** – 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.

**Senior Citizen Grants/Programs** – 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** – 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**– 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 Fund** – to account for funds appropriated for planning the use of the Plaza area. This fund was established by Resolution No. 1981-19.

**Public Facilities Fund** – to account for money donated by subdividers in lieu of land contributions per Ordinance No. 1982-11. State law requires the contributions from subdividers in order to enable the development of public facilities in new subdivisions.

**Quality of Life**– to account for a portion of gross receipts taxes collected by the State of New Mexico per Ordinance No. 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. Santa Fe City Code Chapter 14 – LAND DEVELOPMENT / City Code Chapter 11 – FINANCE AND BUDGET / NMSA Chapter 3 – MUNICIPALITIES.

**Special Recreation Leagues** – to account for the assets, investment earnings, and operations of various City-sponsored recreation leagues. Santa Fe City Code Chapter XXIII STREETS, SIDEWALKS AND PUBLIC PLACES / 23-4.13 City Sports Fields; league and school fees; requirements.

**State of New Mexico**  
**City of Santa Fe**  
**Nonmajor Governmental Fund Descriptions**

**CAPITAL PROJECT FUNDS**

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

**Capital Improvement Projects (CIP) Reallocation Fund** - 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.

**CIP Community Development** - to account for projects pertaining to the City's community development.

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

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

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

**State of New Mexico**  
**City of Santa Fe**  
**Combining Balance Sheet - Nonmajor Governmental Funds**

<b>June 30, 2024</b>	<b>Special Revenue</b>		
	<b>Capital Equipment Reserve</b>	<b>Gross Receipts Tax</b>	<b>Franchise Fee</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 123,413	\$ 6,940,017	\$ -
Receivables			
Taxes	-	3,780,098	13,063
Intergovernmental	-	-	-
Other, net	54,000	-	-
Leases	-	-	-
Due from other funds	-	15,323,465	-
<b>Total assets</b>	<b>\$ 177,413</b>	<b>\$ 26,043,580</b>	<b>\$ 13,063</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 98,756	\$ -
Pooled Cash - Cash Overdrawn	-	-	13,493
Accrued payroll	-	-	-
Unearned Revenue	-	-	-
Deposits held in trust for others	-	-	-
Other Current Liabilities	-	10,625	-
Due to other Funds	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>109,381</b>	<b>13,493</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - leases	-	-	-
Property Taxes	-	-	-
Unavailable revenue - other	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Spendable			
Restricted	177,413	25,934,199	-
Unassigned (deficit)	-	-	(430)
<b>Total fund balances</b>	<b>177,413</b>	<b>25,934,199</b>	<b>(430)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 177,413</b>	<b>\$ 26,043,580</b>	<b>\$ 13,063</b>

<b>Special Revenue</b>					
<b>Economic Development</b>	<b>Lodger's Tax</b>	<b>Public Campaign Financing</b>	<b>Animal Services</b>	<b>Emergency Services</b>	<b>Fire Environmental Service</b>
\$ 633,262	\$ 12,981,720	\$ 662,482	\$ 93,043	\$ 3,805,420	\$ 1,888,885
123,511	1,778,721	-	-	-	-
-	-	-	-	298,262	243,605
48,211	12,121	-	-	-	-
3,709,061	-	-	-	-	-
30,346	-	-	-	-	-
<b>\$ 4,544,391</b>	<b>\$ 14,772,562</b>	<b>\$ 662,482</b>	<b>\$ 93,043</b>	<b>\$ 4,103,682</b>	<b>\$ 2,132,490</b>
\$ 843,024	\$ 785,827	\$ -	\$ -	\$ 162,271	\$ -
-	-	-	-	-	-
11,284	113,618	-	-	2,753	-
-	84,690	-	-	-	-
19,285	5,500	-	-	-	-
2,000	-	-	-	-	-
9,806	-	-	-	-	-
885,399	989,635	-	-	165,024	-
3,582,081	-	-	-	-	-
-	-	-	-	-	-
50,775	-	-	-	-	-
3,632,856	-	-	-	-	-
26,136	13,782,927	662,482	93,043	3,938,658	2,132,490
-	-	-	-	-	-
26,136	13,782,927	662,482	93,043	3,938,658	2,132,490
<b>\$ 4,544,391</b>	<b>\$ 14,772,562</b>	<b>\$ 662,482</b>	<b>\$ 93,043</b>	<b>\$ 4,103,682</b>	<b>\$ 2,132,490</b>

(Continued)

**State of New Mexico**  
**City of Santa Fe**  
**Combining Balance Sheet - Nonmajor Governmental Funds**

<b>June 30, 2024</b>	<b>Special Revenue</b>		
	<b>Law Enforcement</b>	<b>Resource Conservation</b>	<b>City Drainage</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 7,325,679	\$ 196,960	\$ 8,797,039
Receivables			
Taxes	630,016	-	-
Intergovernmental	70,191	-	-
Other, net	216,168	-	213,211
Leases	-	-	-
Due from other funds	549,957	-	-
<b>Total assets</b>	<b>\$ 8,792,011</b>	<b>\$ 196,960</b>	<b>\$ 9,010,250</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 560,741	\$ -	\$ 311,560
Pooled Cash - Cash Overdrawn	-	-	-
Accrued payroll	7,662	-	6,387
Unearned Revenue	149,066	-	-
Deposits held in trust for others	-	-	-
Other Current Liabilities	20,007	-	-
Due to other Funds	-	-	-
<b>Total liabilities</b>	<b>737,476</b>	<b>-</b>	<b>317,947</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - leases	-	-	-
Property Taxes	-	-	-
Unavailable revenue - other	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Spendable			
Restricted	8,054,535	196,960	8,692,303
Unassigned (deficit)	-	-	-
<b>Total fund balances</b>	<b>8,054,535</b>	<b>196,960</b>	<b>8,692,303</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 8,792,011</b>	<b>\$ 196,960</b>	<b>\$ 9,010,250</b>

**Special Revenue**

<b>Impact Fee</b>	<b>Transportation Grants</b>	<b>Senior Citizen Grants/Programs</b>	<b>Historic Preservation</b>	<b>Library</b>	<b>NEA Grants</b>
\$ 7,110,025	\$ -	\$ 236,104	\$ 308,720	\$ 1,114,382	\$ -
-	-	-	-	-	-
-	98,123	277,637	-	20,000	-
-	3,569	-	-	25,000	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>\$ 7,110,025</b>	<b>\$ 101,692</b>	<b>\$ 513,741</b>	<b>\$ 308,720</b>	<b>\$ 1,159,382</b>	<b>\$ -</b>
\$ -	\$ 2,770	\$ 55,549	\$ -	\$ 8,510	\$ -
-	21,410	-	-	-	28,984
2,285	13,962	96,856	-	22,502	-
-	-	-	-	-	-
-	-	-	-	-	-
12,000	-	-	-	-	-
-	-	-	-	-	-
<b>14,285</b>	<b>38,142</b>	<b>152,405</b>	<b>-</b>	<b>31,012</b>	<b>28,984</b>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,095,740	63,550	361,336	308,720	1,128,370	-
-	-	-	-	-	(28,984)
<b>7,095,740</b>	<b>63,550</b>	<b>361,336</b>	<b>308,720</b>	<b>1,128,370</b>	<b>(28,984)</b>
<b>\$ 7,110,025</b>	<b>\$ 101,692</b>	<b>\$ 513,741</b>	<b>\$ 308,720</b>	<b>\$ 1,159,382</b>	<b>\$ -</b>

(Continued)

**State of New Mexico**  
**City of Santa Fe**  
**Combining Balance Sheet - Nonmajor Governmental Funds**

June 30, 2024	Special Revenue		
	Plaza Use	Public Facilities	Quality of Life
<b>Assets</b>			
Cash and cash equivalents	\$ 144,611	\$ 179,904	\$ 386,843
Receivables			
Taxes	-	-	-
Intergovernmental	-	-	-
Other, net	75	-	-
Leases	-	-	-
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 144,686</b>	<b>\$ 179,904</b>	<b>\$ 386,843</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 687	\$ 49,155	\$ 18,155
Pooled Cash - Cash Overdrawn	-	-	-
Accrued payroll	-	-	-
Unearned Revenue	-	-	-
Deposits held in trust for others	-	-	-
Other Current Liabilities	-	-	-
Due to other Funds	-	-	-
<b>Total liabilities</b>	<b>687</b>	<b>49,155</b>	<b>18,155</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - leases	-	-	-
Property Taxes	-	-	-
Unavailable revenue - other	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Spendable			
Restricted	143,999	130,749	368,688
Unassigned (deficit)	-	-	-
<b>Total fund balances</b>	<b>143,999</b>	<b>130,749</b>	<b>368,688</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 144,686</b>	<b>\$ 179,904</b>	<b>\$ 386,843</b>

Special Revenue			Capital Projects		
Recreation Programs	Land Development	Special Recreation Leagues	CIP Reallocation	Resource Conservation	Facilities CIP
\$ 2,841,605	\$ 714,417	\$ 110,415	\$ 489,447	\$ 1,046,510	\$ 3,516,184
370,531	-	-	-	-	-
-	-	-	-	-	-
-	2,120,149	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,212,136</u>	<u>\$ 2,834,566</u>	<u>\$ 110,415</u>	<u>\$ 489,447</u>	<u>\$ 1,046,510</u>	<u>\$ 3,516,184</u>
\$ 261,288	\$ -	\$ -	\$ -	\$ 569,644	\$ 643,850
-	-	-	-	-	-
39,321	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,010,309	560,000	-	-	-	-
<u>1,310,918</u>	<u>560,000</u>	<u>-</u>	<u>-</u>	<u>569,644</u>	<u>643,850</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	2,120,149	-	-	-	-
-	2,120,149	-	-	-	-
1,901,218	154,417	110,415	489,447	476,866	2,872,334
-	-	-	-	-	-
<u>1,901,218</u>	<u>154,417</u>	<u>110,415</u>	<u>489,447</u>	<u>476,866</u>	<u>2,872,334</u>
<u>\$ 3,212,136</u>	<u>\$ 2,834,566</u>	<u>\$ 110,415</u>	<u>\$ 489,447</u>	<u>\$ 1,046,510</u>	<u>\$ 3,516,184</u>

(Continued)

**State of New Mexico**  
**City of Santa Fe**  
**Combining Balance Sheet - Nonmajor Governmental Funds**

<b>June 30, 2024</b>	<b>Capital Projects</b>		
	<b>Special Projects</b>	<b>Bond Acquisition</b>	<b>City Drainage Projects</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 3,027,826	\$ 1,245,115	\$ 1,613,104
Receivables			
Taxes	-	-	-
Intergovernmental	-	73,350	-
Other, net	-	-	-
Leases	-	-	-
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 3,027,826</b>	<b>\$ 1,318,465</b>	<b>\$ 1,613,104</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 256,881	\$ 26,897	\$ -
Pooled Cash - Cash Overdrawn	-	-	-
Accrued payroll	2,476	-	-
Unearned Revenue	-	-	-
Deposits held in trust for others	-	-	-
Other Current Liabilities	-	-	-
Due to other Funds	-	-	-
<b>Total liabilities</b>	<b>259,357</b>	<b>26,897</b>	<b>-</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - leases	-	-	-
Property Taxes	-	-	-
Unavailable revenue - other	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Spendable			
Restricted	2,768,469	1,291,568	1,613,104
Unassigned (deficit)	-	-	-
<b>Total fund balances</b>	<b>2,768,469</b>	<b>1,291,568</b>	<b>1,613,104</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,027,826</b>	<b>\$ 1,318,465</b>	<b>\$ 1,613,104</b>

<b>Capital Projects</b>					
<b>City Street Projects</b>	<b>CIP Community Development</b>	<b>City Parks and Trails Improvements</b>	<b>Art for CIP Projects</b>	<b>Library Improvements</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 6,799,674	\$ 734,964	\$ 6,742,474	\$ 293,387	\$ 13,814	\$ 82,117,445
254,078	-	-	-	-	6,950,018
2,439,067	-	23,119	-	-	3,543,354
-	-	-	-	-	2,692,504
-	-	-	-	-	3,709,061
-	-	-	-	-	15,903,768
<u>\$ 9,492,819</u>	<u>\$ 734,964</u>	<u>\$ 6,765,593</u>	<u>\$ 293,387</u>	<u>\$ 13,814</u>	<u>\$ 114,916,150</u>
\$ 2,429,898	\$ 293,217	\$ 759,231	\$ -	\$ -	\$ 8,137,911
-	-	-	-	-	63,887
37,665	-	-	-	-	356,771
-	-	333,334	-	-	567,090
-	-	-	-	-	24,785
-	-	-	-	-	44,632
-	-	-	-	-	1,580,115
<u>2,467,563</u>	<u>293,217</u>	<u>1,092,565</u>	<u>-</u>	<u>-</u>	<u>10,775,191</u>
-	-	-	-	-	3,582,081
-	-	-	-	-	-
-	-	-	-	-	2,170,924
-	-	-	-	-	5,753,005
7,025,256	441,747	5,673,028	293,387	13,814	98,417,368
-	-	-	-	-	(29,414)
<u>7,025,256</u>	<u>441,747</u>	<u>5,673,028</u>	<u>293,387</u>	<u>13,814</u>	<u>98,387,954</u>
<u>\$ 9,492,819</u>	<u>\$ 734,964</u>	<u>\$ 6,765,593</u>	<u>\$ 293,387</u>	<u>\$ 13,814</u>	<u>\$ 114,916,150</u>

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances - Nonmajor Governmental Funds**

<b>For the year ended June 30, 2024</b>	<b>Special Revenue</b>		
	<b>Capital</b>	<b>Gross Receipts</b>	
	<b>Equipment Reserve</b>	<b>Tax</b>	<b>Franchise Fee</b>
Revenues			
Taxes			
Gross Receipts Taxes	\$ -	\$ 20,928,892	\$ -
Lodgers' Taxes	-	-	-
Other	-	-	54,497
Intergovernmental			
Federal operating	-	-	-
State operating	-	-	-
State capital	-	-	-
Local	-	-	-
Lease revenue	-	-	-
Charges for services	-	-	-
Investment income (loss)	33,354	1,187,151	1,788
Other revenues	-	-	-
<b>Total revenues</b>	<b>33,354</b>	<b>22,116,043</b>	<b>56,285</b>
Expenditures			
Current			
General government	22,229	591,346	-
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
<b>Total expenditures</b>	<b>22,229</b>	<b>591,346</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>11,125</b>	<b>21,524,697</b>	<b>56,285</b>
Other financing sources (uses)			
Proceeds from sale of assets	224,496	-	-
Proceeds from software subscriptions	-	-	-
Transfers in	-	-	-
Transfers (out)	(781,341)	(25,261,969)	(62,000)
<b>Total other financing sources (uses)</b>	<b>(556,845)</b>	<b>(25,261,969)</b>	<b>(62,000)</b>
<b>Net change in fund balances</b>	<b>(545,720)</b>	<b>(3,737,272)</b>	<b>(5,715)</b>
<b>Fund balances - beginning of year</b>	<b>723,133</b>	<b>29,671,471</b>	<b>5,285</b>
<b>Fund balances - end of year</b>	<b>\$ 177,413</b>	<b>\$ 25,934,199</b>	<b>\$ (430)</b>

**Special Revenue**

<b>Economic Development</b>	<b>Lodger's Tax</b>	<b>Public Campaign Financing</b>	<b>Animal Services</b>	<b>Emergency Services</b>	<b>Fire Environmental Service</b>
\$ 683,787	\$ -	\$ -	\$ -	\$ -	\$ -
-	16,229,164	-	-	-	-
-	-	-	-	-	-
-	-	-	-	187,192	31,869
350,000	-	-	-	1,509,134	292,405
-	-	-	-	-	-
-	-	-	-	-	-
213,258	-	-	-	-	-
121,319	-	-	29,278	-	-
29,020	858,580	24,423	3,430	127,204	69,636
3,097	248,467	19,308	-	25,507	-
<b>1,400,481</b>	<b>17,336,211</b>	<b>43,731</b>	<b>32,708</b>	<b>1,849,037</b>	<b>393,910</b>
2,807,129	7,381,613	90,000	-	-	-
-	-	-	64,883	1,513,097	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	8,064	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>2,807,129</b>	<b>7,381,613</b>	<b>90,000</b>	<b>64,883</b>	<b>1,521,161</b>	<b>-</b>
<b>(1,406,648)</b>	<b>9,954,598</b>	<b>(46,269)</b>	<b>(32,175)</b>	<b>327,876</b>	<b>393,910</b>
243,669	-	-	-	-	-
-	-	-	-	-	-
913,500	-	-	-	478,142	-
(60,000)	(9,476,182)	-	-	(123,163)	-
<b>1,097,169</b>	<b>(9,476,182)</b>	<b>-</b>	<b>-</b>	<b>354,979</b>	<b>-</b>
<b>(309,479)</b>	<b>478,416</b>	<b>(46,269)</b>	<b>(32,175)</b>	<b>682,855</b>	<b>393,910</b>
<b>335,615</b>	<b>13,304,511</b>	<b>708,751</b>	<b>125,218</b>	<b>3,255,803</b>	<b>1,738,580</b>
<b>\$ 26,136</b>	<b>\$ 13,782,927</b>	<b>\$ 662,482</b>	<b>\$ 93,043</b>	<b>\$ 3,938,658</b>	<b>\$ 2,132,490</b>

(Continued)

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances - Nonmajor Governmental Funds**

For the year ended June 30, 2024	Special Revenue		
	Law Enforcement	Resource Conservation	City Drainage
Revenues			
Taxes			
Gross Receipts Taxes	\$ 3,488,149	\$ -	\$ -
Lodgers' Taxes	-	-	-
Other	-	-	-
Intergovernmental			
Federal operating	-	-	-
State operating	1,005,563	-	-
State capital	-	-	-
Local	-	-	-
Lease revenue	-	-	-
Charges for services	578,037	-	2,959,155
Investment income (loss)	266,219	-	324,310
Other revenues	21	-	-
Total revenues	5,337,989	-	3,283,465
Expenditures			
Current			
General government	-	-	-
Public safety	4,754,043	-	-
Public works	-	71,420	1,146,432
Community development	-	-	-
Culture and recreation	-	-	-
Capital outlay	755,770	-	22,663
Debt service			
Principal	32,763	772,955	-
Interest and other charges	2,901	347,826	-
Total expenditures	5,545,477	1,192,201	1,169,095
Excess (deficiency) of revenues over expenditures	(207,488)	(1,192,201)	2,114,370
Other financing sources (uses)			
Proceeds from sale of assets	(10,336)	-	-
Proceeds from software subscriptions	168,286	-	-
Transfers in	-	995,262	-
Transfers (out)	-	-	-
Total other financing sources (uses)	157,950	995,262	-
Net change in fund balances	(49,538)	(196,939)	2,114,370
Fund balances - beginning of year	8,104,073	393,899	6,577,933
Fund balances - end of year	\$ 8,054,535	\$ 196,960	\$ 8,692,303

**Special Revenue**

<b>Impact Fee</b>	<b>Transportation Grants</b>	<b>Senior Citizen Grants/Programs</b>	<b>Historic Preservation</b>	<b>Library</b>	<b>NEA Grants</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	380,603	509,699	-	-	-
-	58,513	615,472	22,798	120,205	-
-	-	-	-	-	-
-	20,487	-	-	-	-
-	-	-	-	-	-
3,449,507	-	65,244	-	51,399	-
339,780	-	-	11,381	2,262	-
1,303	6,983	213,446	-	14,268	-
<b>3,790,590</b>	<b>466,586</b>	<b>1,403,861</b>	<b>34,179</b>	<b>188,134</b>	<b>-</b>
-	-	-	-	-	-
-	-	-	-	-	-
52,556	501,534	-	-	-	-
-	-	4,207,799	-	-	-
-	-	-	13,651	1,158,913	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>52,556</b>	<b>501,534</b>	<b>4,207,799</b>	<b>13,651</b>	<b>1,158,913</b>	<b>-</b>
<b>3,738,034</b>	<b>(34,948)</b>	<b>(2,803,938)</b>	<b>20,528</b>	<b>(970,779)</b>	<b>-</b>
-	-	-	-	-	-
-	-	-	-	-	-
-	130,728	1,875,993	-	1,053,023	-
(2,106,645)	-	-	-	-	-
<b>(2,106,645)</b>	<b>130,728</b>	<b>1,875,993</b>	<b>-</b>	<b>1,053,023</b>	<b>-</b>
1,631,389	95,780	(927,945)	20,528	82,244	-
5,464,351	(32,230)	1,289,281	288,192	1,046,126	(28,984)
<b>\$ 7,095,740</b>	<b>\$ 63,550</b>	<b>\$ 361,336</b>	<b>\$ 308,720</b>	<b>\$ 1,128,370</b>	<b>\$ (28,984)</b>

(Continued)

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances - Nonmajor Governmental Funds**

<b>For the year ended June 30, 2024</b>	<b>Special Revenue</b>		
	<b>Plaza Use</b>	<b>Public Facilities</b>	<b>Quality of Life</b>
Revenues			
Taxes			
Gross Receipts Taxes	\$ -	\$ -	\$ -
Lodgers' Taxes	-	-	-
Other	-	-	-
Intergovernmental			
Federal operating	-	-	-
State operating	-	160,938	-
State capital	-	-	-
Local	-	-	-
Lease revenue	-	-	-
Charges for services	31,084	-	-
Investment income (loss)	5,331	6,633	14,261
Other revenues	1	-	1
<b>Total revenues</b>	<b>36,416</b>	<b>167,571</b>	<b>14,262</b>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	-
Culture and recreation	43,914	145,696	150,694
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
<b>Total expenditures</b>	<b>43,914</b>	<b>145,696</b>	<b>150,694</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(7,498)</b>	<b>21,875</b>	<b>(136,432)</b>
Other financing sources (uses)			
Proceeds from sale of assets	-	-	-
Proceeds from software subscriptions	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(7,498)</b>	<b>21,875</b>	<b>(136,432)</b>
<b>Fund balances - beginning of year</b>	<b>151,497</b>	<b>108,874</b>	<b>505,120</b>
<b>Fund balances - end of year</b>	<b>\$ 143,999</b>	<b>\$ 130,749</b>	<b>\$ 368,688</b>

Special Revenue			Capital Projects		
Recreation Programs	Land Development	Special Recreation Leagues	CIP Reallocation	Resource Conservation	Facilities CIP
\$ 2,051,360	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	21,763
-	-	-	-	-	-
-	-	7,455	-	-	-
-	26,338	4,071	18,044	36,462	37,942
9,155	-	-	-	47,739	1
2,060,515	26,338	11,526	18,044	84,201	59,706
-	-	-	-	109	1,611
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,191,118	1	4,548	-	-	-
159,128	-	-	-	1,230,352	1,877,533
-	-	-	-	-	-
-	-	-	-	-	-
3,350,246	1	4,548	-	1,230,461	1,879,144
(1,289,731)	26,337	6,978	18,044	(1,146,260)	(1,819,438)
-	-	-	-	-	-
-	-	-	-	-	-
2,841,681	-	-	-	-	2,487,000
-	-	-	-	-	-
2,841,681	-	-	-	-	2,487,000
1,551,950	26,337	6,978	18,044	(1,146,260)	667,562
349,268	128,080	103,437	471,403	1,623,126	2,204,772
\$ 1,901,218	\$ 154,417	\$ 110,415	\$ 489,447	\$ 476,866	\$ 2,872,334

(Continued)

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances - Nonmajor Governmental Funds**

<b>For the year ended June 30, 2024</b>	<b>Capital Projects</b>		
	<b>Special Projects</b>	<b>Bond Acquisition</b>	<b>City Drainage Projects</b>
Revenues			
Taxes			
Gross Receipts Taxes	\$ -	\$ -	\$ -
Lodgers' Taxes	-	-	-
Other	-	-	-
Intergovernmental			
Federal operating	-	-	-
State operating	-	-	-
State capital	-	-	-
Local	-	-	-
Lease revenue	-	-	-
Charges for services	-	-	-
Investment income (loss)	-	45,902	59,468
Other revenues	-	-	-
<b>Total revenues</b>	-	45,902	59,468
Expenditures			
Current			
General government	2,187,855	-	-
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	754,688	2,109,875
Debt service			
Principal	953,553	-	-
Interest and other charges	9,562	-	-
<b>Total expenditures</b>	3,150,970	754,688	2,109,875
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,150,970)</b>	<b>(708,786)</b>	<b>(2,050,407)</b>
Other financing sources (uses)			
Proceeds from sale of assets	-	-	-
Proceeds from software subscriptions	-	-	-
Transfers in	3,250,000	-	-
Transfers (out)	-	-	-
<b>Total other financing sources (uses)</b>	3,250,000	-	-
<b>Net change in fund balances</b>	<b>99,030</b>	<b>(708,786)</b>	<b>(2,050,407)</b>
<b>Fund balances - beginning of year</b>	<b>2,669,439</b>	<b>2,000,354</b>	<b>3,663,511</b>
<b>Fund balances - end of year</b>	<b>\$ 2,768,469</b>	<b>\$ 1,291,568</b>	<b>\$ 1,613,104</b>

**Capital Projects**

<b>City Street Projects</b>	<b>CIP Community Development</b>	<b>City Parks and Trails Improvements</b>	<b>Art for CIP Projects</b>	<b>Library Improvements</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,152,188
-	-	-	-	-	16,229,164
1,631,126	-	-	-	-	1,685,623
-	-	-	-	-	1,109,363
-	-	-	-	-	4,135,028
4,946,695	312,538	814,026	-	-	6,095,022
-	-	-	-	-	20,487
-	-	-	-	-	213,258
58,033	-	-	-	-	7,350,511
87,217	23,223	160,145	10,816	509	3,814,900
-	-	-	-	-	589,297
<b>6,723,071</b>	<b>335,761</b>	<b>974,171</b>	<b>10,816</b>	<b>509</b>	<b>68,394,841</b>
-	-	-	-	-	13,081,892
-	-	-	-	-	6,332,023
-	-	-	-	-	1,771,942
-	939,378	-	-	-	5,147,177
-	-	13,310	-	-	4,721,845
11,456,708	-	2,179,339	-	-	20,554,120
-	-	-	-	-	1,759,271
-	-	-	-	-	360,289
<b>11,456,708</b>	<b>939,378</b>	<b>2,192,649</b>	<b>-</b>	<b>-</b>	<b>53,728,559</b>
<b>(4,733,637)</b>	<b>(603,617)</b>	<b>(1,218,478)</b>	<b>10,816</b>	<b>509</b>	<b>14,666,282</b>
-	-	-	-	-	457,829
-	-	-	-	-	168,286
5,918,774	105,027	2,398,482	-	-	22,447,612
(1,484,895)	-	-	-	-	(39,356,195)
<b>4,433,879</b>	<b>105,027</b>	<b>2,398,482</b>	<b>-</b>	<b>-</b>	<b>(16,282,468)</b>
<b>(299,758)</b>	<b>(498,590)</b>	<b>1,180,004</b>	<b>10,816</b>	<b>509</b>	<b>(1,616,186)</b>
<b>7,325,014</b>	<b>940,337</b>	<b>4,493,024</b>	<b>282,571</b>	<b>13,305</b>	<b>100,004,140</b>
<b>\$ 7,025,256</b>	<b>\$ 441,747</b>	<b>\$ 5,673,028</b>	<b>\$ 293,387</b>	<b>\$ 13,814</b>	<b>\$ 98,387,954</b>

**State of New Mexico**  
**City of Santa Fe**  
**Combining Balance Sheet - General Fund**

<b>June 30, 2024</b>	<b>General Fund</b>	<b>LG Abatement Fund</b>	<b>Total General Fund</b>
<b>Assets</b>			
Cash, cash equivalents, and investments	\$ 68,740,137	\$ 4,602,719	\$ 73,342,856
Receivables			
Taxes	20,185,256	-	20,185,256
Intergovernmental	(682,849)	3,992,476	3,309,627
Other, net	793,735	-	793,735
Leases	-	-	-
Inventory	73,408	-	73,408
Due from other funds	3,324,162	-	3,324,162
<b>Total assets</b>	<b>\$ 92,433,849</b>	<b>\$ 8,595,195</b>	<b>\$ 101,029,044</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 4,603,870	\$ -	\$ 4,603,870
Accrued payroll	3,936,111	-	3,936,111
Due to other governments	16,208	-	16,208
Deposits held in trust for others	6,357,309	-	6,357,309
Other current liabilities	650,031	-	650,031
Due to other funds	1,437,063	-	1,437,063
<b>Total liabilities</b>	<b>17,000,592</b>	<b>-</b>	<b>17,000,592</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - property taxes	544,244	-	544,244
Unavailable revenue - other	88,833	-	88,833
<b>Total deferred inflows of resources</b>	<b>633,077</b>	<b>-</b>	<b>633,077</b>
<b>Fund balances</b>			
Nonspendable	73,408	-	73,408
Spendable			
Restricted	-	8,595,195	8,595,195
Assigned	1,278,450	-	1,278,450
Unassigned (deficit)	73,448,322	-	73,448,322
<b>Total fund balances</b>	<b>74,800,180</b>	<b>8,595,195</b>	<b>83,395,375</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 92,433,849</b>	<b>\$ 8,595,195</b>	<b>\$ 101,029,044</b>

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - General Fund**

<b>For the year ended June 30, 2024</b>	<b>General Fund</b>	<b>LG Abatement Fund</b>	<b>Total General Fund</b>
<b>Revenues</b>			
Taxes			
Gross receipts	\$ 106,133,722	\$ -	\$106,133,722
Property	10,270,979	-	10,270,979
Other	6,540,694	-	6,540,694
Charges for services	15,224,389	-	15,224,389
Investment income (loss)	3,367,284	-	3,367,284
Other revenues	1,357,383	-	1,357,383
<b>Total revenues</b>	<b>142,894,451</b>	<b>-</b>	<b>142,894,451</b>
<b>Expenditures</b>			
Current			
General government	21,436,506	-	21,436,506
Public safety	64,027,814	-	64,027,814
Public works	19,717,380	-	19,717,380
Community development	2,098,436	-	2,098,436
Education	3,321,337	-	3,321,337
Culture and recreation	4,816,882	-	4,816,882
Capital outlay	11,245,330	-	11,245,330
Debt service			
Principal payments	87,723	-	87,723
Interest	2,116	-	2,116
<b>Total expenditures</b>	<b>126,753,524</b>	<b>-</b>	<b>126,753,524</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>16,140,927</b>	<b>-</b>	<b>16,140,927</b>
<b>Other financing sources (uses)</b>			
Transfers in	3,545,419	-	3,545,419
Transfers (out)	(12,741,913)	-	(12,741,913)
<b>Total other financing sources (uses)</b>	<b>(9,196,494)</b>	<b>-</b>	<b>(9,196,494)</b>
<b>Net change in fund balances</b>	<b>6,944,433</b>	<b>-</b>	<b>6,944,433</b>
<b>Fund balances - beginning of year</b>	<b>67,855,747</b>	<b>8,595,195</b>	<b>76,450,942</b>
<b>Fund balances - end of year</b>	<b>\$ 74,800,180</b>	<b>\$ 8,595,195</b>	<b>\$ 83,395,375</b>

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# ENTERPRISE FUNDS



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**State of New Mexico**  
**City of Santa Fe**  
**Nonmajor Enterprise Fund Descriptions**

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 Properties*** – 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.

***Transit Bus System*** – to account for the operation of the City's public bus system and trails.

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

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Net Position - Nonmajor Enterprise Funds**

<b>For Year Ended June 30, 2024</b>	<b>Municipal Recreation Complex</b>	<b>Parking Enterprise</b>	<b>Railyard Properties</b>
<b>Assets</b>			
Current assets			
Cash, investments, and cash equivalents	\$ 2,722,156	\$ 4,067,729	\$ 2,523,102
Receivables, net of allowance			
Grants	-	-	-
Accounts, net of allowances	449,693	1,427,041	-
Other	11,691	-	160
Lease receivable	-	22,831	194,588
<b>Total current assets</b>	<b>3,183,540</b>	<b>5,517,601</b>	<b>2,717,850</b>
Noncurrent assets			
Lease receivables, net of current portion	-	370,300	7,453,729
Capital assets not being depreciated	2,969,703	10,483	20,702,341
Capital assets being depreciated	18,867,223	39,028,733	40,387,184
Right-to-use lease assets - leases	335,951	-	-
Less amortization - leases	(240,283)	-	-
Less accumulated depreciation	(17,133,432)	(12,584,432)	(33,482,616)
<b>Total noncurrent assets</b>	<b>4,799,162</b>	<b>26,825,084</b>	<b>35,060,638</b>
<b>Total assets</b>	<b>7,982,702</b>	<b>32,342,685</b>	<b>37,778,488</b>
Deferred outflows of resources			
Deferred outflows - pension	184,950	464,810	38,912
Deferred outflows - OPEB	36,495	91,472	7,658
<b>Total deferred outflows of resources</b>	<b>221,445</b>	<b>556,282</b>	<b>46,570</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 8,204,147</b>	<b>\$ 32,898,967</b>	<b>\$ 37,825,058</b>

<b>Airport</b>	<b>Transit Bus System</b>	<b>GCCC</b>	<b>Total</b>
\$ 5,938,272	\$ 3,263,820	\$ 209,318	\$ 18,724,397
1,892,403	5,935,008	-	7,827,411
-	-	-	1,876,734
-	1,313,403	-	1,325,254
123,054	-	-	340,473
<b>7,953,729</b>	<b>10,512,231</b>	<b>209,318</b>	<b>30,094,269</b>
4,309,746	-	-	12,133,775
32,455,041	323,012	2,921,760	59,382,340
43,580,365	28,526,710	31,700,327	202,090,542
-	-	-	335,951
-	-	-	(240,283)
(29,718,483)	(19,087,159)	(14,840,204)	(126,846,326)
<b>50,626,669</b>	<b>9,762,563</b>	<b>19,781,883</b>	<b>146,855,999</b>
<b>58,580,398</b>	<b>20,274,794</b>	<b>19,991,201</b>	<b>176,950,268</b>
744,435	1,396,000	780,950	3,610,057
123,463	274,733	155,703	689,524
<b>867,898</b>	<b>1,670,733</b>	<b>936,653</b>	<b>4,299,581</b>
<b>\$ 59,448,296</b>	<b>\$ 21,945,527</b>	<b>\$ 20,927,854</b>	<b>\$ 181,249,849</b>

(Continued)

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Net Position - Nonmajor Enterprise Funds**

<b>For Year Ended June 30, 2024</b>	<b>Municipal Recreation Complex</b>	<b>Parking Enterprise</b>	<b>Railyard Properties</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 876,952	\$ 366,617	\$ 174,998
Accrued payroll	15,809	71,130	3,672
Accrued interest payable	-	29,739	13,304
Unearned revenue	3,359	-	-
Other liabilities	49,553	8,081	-
Due to other governments	-	58	-
Deposits held in trust for others	-	94,362	-
Bonds payable, current, net of amortized discounts	-	670,291	1,047,531
Notes payable, current	-	200,000	-
Lease liabilities, current	84,098	-	-
Compensated absence, current	7,151	30,485	444
<b>Total current liabilities</b>	<b>1,036,922</b>	<b>1,470,763</b>	<b>1,239,949</b>
Noncurrent liabilities			
Bonds payable, net of unamortized discounts	-	8,434,919	3,314,856
Notes payable, net of current portion	-	415,000	-
Lease liabilities, net of current portion	16,792	-	-
Compensated absences, net of current portion	13,408	57,156	833
Net pension liability	768,399	1,931,116	161,665
Net OPEB liability	98,452	246,762	20,660
<b>Total noncurrent liabilities</b>	<b>897,051</b>	<b>11,084,953</b>	<b>3,498,014</b>
<b>Total liabilities</b>	<b>1,933,973</b>	<b>12,555,716</b>	<b>4,737,963</b>
Deferred inflows of resources			
Unamortized gain on refunding of bonds	-	-	157,932
Deferred inflows - leases	-	384,038	7,537,660
Deferred inflows - pension	11,371	28,578	2,392
Deferred inflows - OPEB	132,964	333,263	27,902
<b>Total deferred inflows of resources</b>	<b>144,335</b>	<b>745,879</b>	<b>7,725,886</b>
Net position			
Net investment in capital assets	4,698,272	16,734,574	23,086,590
Unrestricted (deficit)	1,427,567	2,862,798	2,274,619
<b>Total net position</b>	<b>6,125,839</b>	<b>19,597,372</b>	<b>25,361,209</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 8,204,147</b>	<b>\$ 32,898,967</b>	<b>\$ 37,825,058</b>

<b>Airport</b>	<b>Transit Bus System</b>	<b>GCCC</b>	<b>Total</b>
\$ 2,034,156	\$ 272,274	\$ 170,164	\$ 3,895,161
103,908	141,308	189,917	525,744
-	1,638	-	44,681
311,646	-	-	315,005
304	-	-	57,938
86,333	-	-	86,391
-	14	18,471	112,847
-	-	-	1,717,822
-	322,551	-	522,551
-	-	-	84,098
38,752	130,990	31,832	239,654
<b>2,575,099</b>	<b>868,775</b>	<b>410,384</b>	<b>7,601,892</b>
-	-	-	11,749,775
-	332,163	-	747,163
-	-	-	16,792
72,654	245,589	59,682	449,322
3,092,855	5,799,870	3,244,564	14,998,469
333,063	741,140	420,036	1,860,113
<b>3,498,572</b>	<b>7,118,762</b>	<b>3,724,282</b>	<b>29,821,634</b>
<b>6,073,671</b>	<b>7,987,537</b>	<b>4,134,666</b>	<b>37,423,526</b>
-	-	-	157,932
4,622,584	-	-	12,544,282
45,771	85,832	48,016	221,960
449,816	1,000,941	567,277	2,512,163
<b>5,118,171</b>	<b>1,086,773</b>	<b>615,293</b>	<b>15,436,337</b>
46,316,923	9,107,849	19,781,883	119,726,091
1,939,531	3,763,368	(3,603,988)	8,663,895
<b>48,256,454</b>	<b>12,871,217</b>	<b>16,177,895</b>	<b>128,389,986</b>
<b>\$ 59,448,296</b>	<b>\$ 21,945,527</b>	<b>\$ 20,927,854</b>	<b>\$ 181,249,849</b>

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**

<b>For Year Ended June 30, 2024</b>	<b>Municipal Recreation Complex</b>	<b>Parking Enterprise</b>	<b>Railyard Properties</b>
Operating revenues			
Charges for services	\$ 1,503,216	\$ 4,845,805	\$ -
Facilities rentals	1,527	-	-
Other revenues	75,773	171,776	1,142,533
<b>Total operating revenues</b>	<b>1,580,516</b>	<b>5,017,581</b>	<b>1,142,533</b>
Operating expenses			
Salaries, wages, and fringe benefits	511,521	1,848,506	123,574
Contractual services and utilities	2,555,268	872,652	578,697
Repairs and maintenance	89,055	160,977	208,552
Supplies	126,614	87,692	7,403
Small equipment	79,219	-	64,535
Depreciation and amortization expense	266,304	979,010	332,567
Insurance	-	-	-
Other	231,124	1,311,437	329,770
<b>Total operating expenses</b>	<b>3,859,105</b>	<b>5,260,274</b>	<b>1,645,098</b>
<b>Operating income (loss)</b>	<b>(2,278,589)</b>	<b>(242,693)</b>	<b>(502,565)</b>
Non-operating revenues (expenses)			
Investment income (loss)	15,453	84,821	244,804
Intergovernmental			
Federal	-	-	-
State	-	-	-
Gain (loss) on sale of capital assets	-	-	-
Lease revenue	-	26,415	245,170
Interest expense, net of premium amortization	83,757	(311,145)	(58,214)
Other nonoperating revenue (expense)	-	460,469	-
<b>Total non-operating revenues (expenses)</b>	<b>99,210</b>	<b>260,560</b>	<b>431,760</b>
<b>Income (loss) before contributions and transfers</b>	<b>(2,179,379)</b>	<b>17,867</b>	<b>(70,805)</b>
Capital grants			
Federal	-	-	-
State	-	-	-
Transfers in	3,580,176	2,860,137	1,541,943
Transfers (out)	-	-	-
<b>Change in net position</b>	<b>1,400,797</b>	<b>2,878,004</b>	<b>1,471,138</b>
<b>Net position - beginning of year</b>	<b>4,725,042</b>	<b>16,719,368</b>	<b>23,890,071</b>
<b>Net position - end of year</b>	<b>\$ 6,125,839</b>	<b>\$ 19,597,372</b>	<b>\$ 25,361,209</b>

	Transit Bus		
Airport	System	GCCC	Total
\$ 2,146,189	\$ 1,552,155	\$ 1,217,582	\$ 11,264,947
100,378	491	309,190	411,586
289,243	62,876	13,457	1,755,658
2,535,810	1,615,522	1,540,229	13,432,191
2,653,719	4,888,958	2,279,552	12,305,830
1,064,107	93,108	717,966	5,881,798
215,757	290,289	184,160	1,148,790
272,193	281,092	167,927	942,921
139,388	5,623	45,263	334,028
1,317,447	860,539	845,306	4,601,173
18,130	-	-	18,130
702,987	2,503,885	594,686	5,673,889
6,383,728	8,923,494	4,834,860	30,906,559
(3,847,918)	(7,307,972)	(3,294,631)	(17,474,368)
332,124	530	-	677,732
1,788,246	5,338,879	-	7,127,125
-	-	-	-
-	2,250	-	2,250
170,565	-	-	442,150
-	(27,251)	-	(312,853)
-	-	-	460,469
2,290,935	5,314,408	-	8,396,873
(1,556,983)	(1,993,564)	(3,294,631)	(9,077,495)
-	531,610	-	531,610
4,120,219	-	-	4,120,219
-	9,371,754	3,069,175	20,423,185
-	(55,357)	(430,000)	(485,357)
2,563,236	7,854,443	(655,456)	15,512,162
45,693,218	5,016,774	16,833,351	112,877,824
\$ 48,256,454	\$ 12,871,217	\$ 16,177,895	\$ 128,389,986

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**

<b>For Year Ended June 30, 2024</b>	<b>Municipal Recreation Complex</b>	<b>Parking Enterprise</b>	<b>Railyard Properties</b>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 1,951,997	\$ 5,178,179	\$ 1,041,288
Cash payments to suppliers for goods and services	(3,308,270)	(3,218,199)	(1,233,002)
Cash payments to employees for services	(337,554)	(912,131)	(91,435)
<b>Net cash provided (used) by operating activities</b>	<b>(1,693,827)</b>	<b>1,047,849</b>	<b>(283,149)</b>
<b>Cash flows from noncapital financing activities</b>			
Intergovernmental taxes and grants	-	460,469	-
Transfers in from other funds	3,580,176	2,860,137	1,541,943
Transfers out to other funds	-	-	-
Cash received from leases	-	26,415	245,170
<b>Net cash provided (used) by noncapital financing activities</b>	<b>3,580,176</b>	<b>3,347,021</b>	<b>1,787,113</b>
<b>Cash flows from capital and related financing activities</b>			
Acquisition and construction of capital assets	(53,980)	(203,932)	(281,774)
Proceeds from sale of capital assets	-	-	-
Proceeds from capital grants	-	-	-
Principal paid on bonds, notes, leases, and SBITAs	(186,388)	(835,691)	(1,204,920)
Interest paid on bonds, notes, leases, and SBITAs	73,887	(313,894)	(62,000)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(166,481)</b>	<b>(1,353,517)</b>	<b>(1,548,694)</b>
<b>Cash flows from investing activities</b>			
Interest and dividends on investments	15,453	84,821	244,804
<b>Net cash provided (used) by investing activities</b>	<b>15,453</b>	<b>84,821</b>	<b>244,804</b>
<b>Net increase (decrease) in cash, cash equivalents, and investments</b>	<b>1,735,321</b>	<b>3,126,174</b>	<b>200,074</b>
Cash, cash equivalents, and investments - beginning of year	986,835	941,555	2,323,028
<b>Cash, cash equivalents, and investments - end of year</b>	<b>\$ 2,722,156</b>	<b>\$ 4,067,729</b>	<b>\$ 2,523,102</b>

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

Airport	Transit Bus System	GCCC	Total
\$ 2,739,387	\$ (5,401,623)	\$ 1,619,041	\$ 7,128,269
(5,044,377)	(3,714,055)	(2,112,330)	(18,630,233)
574,790	(4,904,887)	(2,503,358)	(8,174,575)
(1,730,200)	(14,020,565)	(2,996,647)	(19,676,539)
1,788,246	5,870,489	-	8,119,204
-	9,371,754	3,069,175	20,423,185
-	(55,357)	(430,000)	(485,357)
170,565	-	-	442,150
1,958,811	15,186,886	2,639,175	28,499,182
(10,731,472)	(621,996)	(107,393)	(12,000,547)
-	2,250	-	2,250
4,120,219	-	-	4,120,219
-	(314,010)	-	(2,541,009)
-	(27,936)	-	(329,943)
(6,611,253)	(999,692)	(107,393)	(10,787,030)
332,124	530	-	677,732
332,124	530	-	677,732
(6,050,518)	167,159	(464,865)	(1,286,655)
11,988,790	3,096,661	674,183	20,011,052
\$ 5,938,272	\$ 3,263,820	\$ 209,318	\$ 18,724,397

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

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**

<b>For Year Ended June 30, 2024</b>	<b>Municipal Recreation Complex</b>	<b>Parking Enterprise</b>	<b>Railyard Properties</b>
<b>Reconciliation of operating income (loss)</b>			
<b>To net cash provided (used) by</b>			
<b>Operating activities</b>			
Operating income (loss)	\$ (2,278,589)	\$ (242,693)	\$ (502,565)
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities			
Depreciation/Amortization/Bad debt expense	266,304	979,011	332,567
Difference between deferred outflows and related to pensions and OPEB	(66,719)	(212,500)	(15,846)
Difference between deferred inflows and related to pensions and OPEB	(44,158)	(56,219)	(7,063)
Difference between deferred inflows related to leases	-	(26,414)	(245,170)
Difference between net pension/OPEB liability	50,881	364,267	20,235
Change in assets and liabilities			
(Increase) Decrease in Accounts receivables	(436,668)	(128,294)	-
(Increase) Decrease in Other receivables	128,903	-	(32)
(Increase) Decrease in Lease receivables	-	22,167	191,407
(Increase) Decrease in Taxes receivables	-	-	-
Increase (Decrease) in Accounts Payable	759,983	293,139	(47,450)
Increase (Decrease) in Lease Payable	(84,096)	-	-
Increase (Decrease) in Accrued Wages Payable	5,152	41,062	1,202
Increase (Decrease) in due to other governments	-	43	-
Increase (Decrease) in Customer Deposits	-	(15,161)	-
Increase (Decrease) Unearned Revenue	3,359	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ (1,693,827)</b>	<b>\$ 1,047,849</b>	<b>\$ (283,149)</b>

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

Airport	Transit Bus System	GCCC	Total
\$ (3,847,918)	\$ (7,307,972)	\$ (3,294,631)	\$ (17,474,368)
1,317,447	860,539	845,307	4,601,175
(397,871)	(467,462)	(206,716)	(1,367,114)
(7,042)	(376,337)	(277,084)	(767,903)
2,701,275	-	-	2,429,691
888,544	193,084	(182,187)	1,334,824
-	-	-	(564,962)
9,900	(1,274,003)	-	(1,135,232)
(2,775,904)	-	-	(2,562,330)
(716,596)	(5,843,946)	-	(6,560,542)
938,026	100,804	78,812	2,123,314
-	-	-	(84,096)
73,672	42,942	88,231	252,261
-	-	-	43
-	-	-	(15,161)
46,876	-	-	50,235
<u>\$ (1,730,200)</u>	<u>\$ (14,020,565)</u>	<u>\$ (2,996,647)</u>	<u>\$ (19,676,539)</u>

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

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# INTERNAL SERVICE FUNDS



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**State of New Mexico**  
**City of Santa Fe**  
**Nonmajor Internal Service Fund Descriptions**

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.

**Workers' Compensation** – to account for the cost of operating a self-insured workers' compensation program.

**Unemployment 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 Departments** – to account for fleet management goods and services and technology goods and services provided by those departments to other City departments.

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Net Position**  
**Internal Service Funds**

<b>June 30, 2024</b>	<b>Risk Management</b>	<b>Santa Fe Health/ Dental</b>	<b>Workers' Compensation</b>
<b>Assets</b>			
Current assets			
Cash, cash equivalents, and investments	\$ 2,023,519	\$ 15,579,035	\$ 2,138,951
Receivables			
Other	-	1,046,554	-
Inventory	-	-	-
<b>Total current assets</b>	<b>2,023,519</b>	<b>16,625,589</b>	<b>2,138,951</b>
Noncurrent assets			
Capital assets not being depreciated	-	-	-
Capital assets being depreciated	125,712	-	-
Right-to-use assets - subscriptions	-	-	-
Accumulated amortization - subscriptions	-	-	-
Accumulated depreciation	(62,763)	-	-
<b>Total noncurrent assets</b>	<b>62,949</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>2,086,468</b>	<b>16,625,589</b>	<b>2,138,951</b>
Deferred outflows of resources			
Deferred outflows - pension	135,281	91,003	-
Deferred outflows - OPEB	26,625	17,914	-
<b>Total deferred outflows of resources</b>	<b>161,906</b>	<b>108,917</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 2,248,374</b>	<b>\$ 16,734,506</b>	<b>\$ 2,138,951</b>

<b>Unemployment Fund</b>	<b>Services to Other Departments</b>	<b>Total</b>
\$ 365,276	\$ -	\$ 20,106,781
-	-	1,046,554
-	18,085	18,085
<u>365,276</u>	<u>18,085</u>	<u>21,171,420</u>
-	484,083	484,083
-	4,633,256	4,758,968
-	2,379,261	2,379,261
-	(1,842,517)	(1,842,517)
-	(1,756,564)	(1,819,327)
-	<u>3,897,519</u>	<u>3,960,468</u>
<u>365,276</u>	<u>3,915,604</u>	<u>25,131,888</u>
-	1,848,935	2,075,219
-	363,828	408,367
-	<u>2,212,763</u>	<u>2,483,586</u>
<u>\$ 365,276</u>	<u>\$ 6,128,367</u>	<u>\$ 27,615,474</u>

(Continued)

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Net Position**  
**Internal Service Funds**

<b>June 30, 2024</b>	<b>Risk Management</b>	<b>Santa Fe Health/ Dental</b>	<b>Workers' Compensation</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 447,028	\$ 966,190	\$ 7,267
Pooled cash - cash overdrawn	-	-	-
Accrued payroll	7,690	5,315	-
Due to other governments	-	-	-
Compensated absences - current	8,953	3,466	-
Subscription liabilities - due within one year	-	-	-
Claims and judgment payable	4,963,691	1,483,000	4,371,704
<b>Total current liabilities</b>	<b>5,427,362</b>	<b>2,457,971</b>	<b>4,378,971</b>
Noncurrent liabilities			
Compensated absences payable	16,787	6,499	-
Subscription liabilities, due in more than one year	-	-	-
Net pension liability	562,043	378,086	-
Net OPEB liability	71,825	48,327	-
<b>Total noncurrent liabilities</b>	<b>650,655</b>	<b>432,912</b>	<b>-</b>
<b>Total liabilities</b>	<b>6,078,017</b>	<b>2,890,883</b>	<b>4,378,971</b>
Deferred inflows of resources			
Deferred inflows - pension	8,318	5,595	-
Deferred inflows - OPEB	97,003	65,268	-
<b>Total deferred inflows of resources</b>	<b>105,321</b>	<b>70,863</b>	<b>-</b>
Net position			
Net investment in capital assets	62,949	-	-
Unrestricted (deficit)	(3,997,913)	13,772,760	(2,240,020)
<b>Total net position</b>	<b>(3,934,964)</b>	<b>13,772,760</b>	<b>(2,240,020)</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 2,248,374</b>	<b>\$ 16,734,506</b>	<b>\$ 2,138,951</b>

<b>Unemployment Fund</b>	<b>Services to Other Departments</b>	<b>Total</b>
\$ 21,468	\$ 1,028,078	\$ 2,470,031
-	6,107,099	6,107,099
-	186,013	199,018
-	1,003	1,003
-	108,547	120,966
-	150,012	150,012
-	-	10,818,395
<u>21,468</u>	<u>7,580,752</u>	<u>19,866,524</u>
-	203,503	226,789
-	22,811	22,811
-	7,681,650	8,621,779
-	981,489	1,101,641
-	<u>8,889,453</u>	<u>9,973,020</u>
<u>21,468</u>	<u>16,470,205</u>	<u>29,839,544</u>
-	113,680	127,593
-	<u>1,325,544</u>	<u>1,487,815</u>
-	1,439,224	1,615,408
-	3,724,696	3,787,645
<u>343,808</u>	<u>(15,505,758)</u>	<u>(7,627,123)</u>
<u>343,808</u>	<u>(11,781,062)</u>	<u>(3,839,478)</u>
<u>\$ 365,276</u>	<u>\$ 6,128,367</u>	<u>\$ 27,615,474</u>

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**

<b>June 30, 2024</b>	<b>Risk Management</b>	<b>Santa Fe Health/ Dental</b>	<b>Workers' Compensation</b>
Operating revenues			
Charges for services	\$ -	\$ -	\$ -
Other revenues	104,067	130,881	69,733
Premiums	7,562,142	24,864,229	-
<b>Total operating revenues</b>	<b>7,666,209</b>	<b>24,995,110</b>	<b>69,733</b>
Operating expenses			
Salaries, wages, and fringe benefits	506,542	1,725,005	279,994
Contractual services and utilities	325,270	1,079,576	63,264
Repairs and maintenance	-	-	-
Supplies	85,830	50,439	-
Small equipment	-	-	-
Depreciation and amortization expense	15,267	-	-
Insurance	4,574,155	617,908	-
Claims and judgments	2,124,217	19,950,241	1,128,102
Other	227,479	5,900	-
<b>Total operating expenses</b>	<b>7,858,760</b>	<b>23,429,069</b>	<b>1,471,360</b>
<b>Operating income (loss)</b>	<b>(192,551)</b>	<b>1,566,041</b>	<b>(1,401,627)</b>
Non-operating revenues (loss)			
Interest expense	-	-	-
Investment income (loss)	-	430,793	80,278
<b>Total non-operating revenues (expenses)</b>	<b>-</b>	<b>430,793</b>	<b>80,278</b>
<b>Income (loss) before transfers</b>	<b>(192,551)</b>	<b>1,996,834</b>	<b>(1,321,349)</b>
Government contributions			
Transfers in	2,878,261	2,418,718	-
Transfers (out)	(62,500)	(75,000)	-
<b>Change in net position</b>	<b>2,623,210</b>	<b>4,340,552</b>	<b>(1,321,349)</b>
<b>Net position - beginning of year</b>	<b>(6,558,174)</b>	<b>9,432,208</b>	<b>(918,671)</b>
<b>Net position - end of year</b>	<b>\$ (3,934,964)</b>	<b>\$ 13,772,760</b>	<b>\$ (2,240,020)</b>

Unemployment Fund	Services to Other Departments	Total
\$ -	\$ 13,320,550	\$ 13,320,550
-	-	304,681
26,056	-	32,452,427
26,056	13,320,550	46,077,658
-	6,279,480	8,791,021
-	1,799,144	3,267,254
-	261,663	261,663
-	1,546,705	1,682,974
-	1,027,370	1,027,370
-	1,974,797	1,990,064
-	-	5,192,063
78,602	-	23,281,162
-	501,200	734,579
78,602	13,390,359	46,228,150
(52,546)	(69,809)	(150,492)
-	(4,596)	(4,596)
12,505	-	523,576
12,505	(4,596)	518,980
(40,041)	(74,405)	368,488
-	62,000	5,358,979
-	-	(137,500)
(40,041)	(12,405)	5,589,967
383,849	(11,768,657)	(9,429,445)
\$ 343,808	\$ (11,781,062)	\$ (3,839,478)

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Cash Flows - Internal Service Funds**

<b>For Year Ended June 30, 2024</b>	<b>Risk Management</b>	<b>Santa Fe Health/ Dental</b>	<b>Workers' Compensation</b>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 7,874,332	\$ 24,509,863	\$ 63,496
Cash payments to suppliers for goods and services	(7,205,540)	(21,544,064)	(1,081,723)
Cash payments to employees for services	(399,454)	(1,827,435)	(279,994)
<b>Net cash provided (used) by operating activities</b>	<b>269,338</b>	<b>1,138,364</b>	<b>(1,298,221)</b>
<b>Cash flows from noncapital financing activities</b>			
Transfers in from other funds	2,878,261	2,418,718	-
Transfers out to other funds	(62,500)	(75,000)	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>2,815,761</b>	<b>2,343,718</b>	<b>-</b>
<b>Cash flows from capital and related financing activities</b>			
Acquisition and construction of capital assets	(12,858)	-	-
Principal paid on subscription liabilities	-	-	-
Interest paid on subscription liabilities	-	-	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(12,858)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities</b>			
Interest and dividends on investments	-	430,793	80,278
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>430,793</b>	<b>80,278</b>
<b>Net increase (decrease) in cash, cash equivalents, and investments</b>	<b>3,072,241</b>	<b>3,912,875</b>	<b>(1,217,943)</b>
Cash, cash equivalents, and investments - beginning of year	(1,048,722)	11,666,160	3,356,894
<b>Cash, cash equivalents, and investments - end of year</b>	<b>\$ 2,023,519</b>	<b>\$ 15,579,035</b>	<b>\$ 2,138,951</b>

Unemployment Fund	Services to Other Departments	Total
\$ 47,524	\$ 14,010,263	\$ 46,505,478
(78,602)	(5,091,018)	(35,000,947)
-	(6,072,343)	(8,579,226)
(31,078)	2,846,902	2,925,305
-	62,000	5,358,979
-	-	(137,500)
-	62,000	5,221,479
-	(1,817,551)	(1,830,409)
-	(1,108,060)	(1,108,060)
-	(4,596)	(4,596)
-	(2,930,207)	(2,943,065)
12,505	-	523,576
12,505	-	523,576
(18,573)	(21,305)	5,727,295
383,849	(6,085,794)	8,272,387
\$ 365,276	\$ (6,107,099)	\$ 13,999,682

**State of New Mexico**  
**City of Santa Fe**  
**Combining Statement of Cash Flows - Internal Service Funds**

<b>For Year Ended June 30, 2024</b>	<b>Risk Management</b>	<b>Santa Fe Health/ Dental</b>	<b>Workers' Compensation</b>
<b>Reconciliation of operating income (loss)</b>			
<b>To net cash provided (used) by</b>			
<b>Operating activities</b>			
Operating income (loss)	\$ (192,551)	\$ 1,566,041	\$ (1,401,627)
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities			
Depreciation/Amortization/Bad debt expense	15,267	-	-
Difference between deferred outflows and related to pensions and OPEB	(75,653)	(20,720)	-
Difference between deferred inflows and related to pensions and OPEB	458	(36,378)	-
Difference between net pension/OPEB liability	178,821	(38,876)	-
Change in assets and liabilities			
(Increase) Decrease in Accounts receivables	-	(1,032,777)	-
(Increase) Decrease in Other receivables	-	445,151	-
Increase (Decrease) in Accounts Payable	208,123	102,379	(6,237)
Increase (Decrease) in Compensated Absences Payable	3,181	(5,567)	-
Increase (Decrease) in Accrued Wages Payable	281	(889)	-
Increase (Decrease) in Inventory	-	-	-
Increase (Decrease) in Claims Payable	131,411	160,000	109,643
<b>Net cash provided (used) by operating activities</b>	<b>\$ 269,338</b>	<b>\$ 1,138,364</b>	<b>\$ (1,298,221)</b>

Unemployment Fund	Services to Other Departments	Total
\$ (52,546)	\$ (69,809)	\$ (150,492)
-	1,974,797	1,990,064
-	(804,161)	(900,534)
-	(273,508)	(309,428)
-	1,231,947	1,371,892
-	-	(1,032,777)
-	-	445,151
21,468	689,713	1,015,446
-	(28,005)	(30,391)
-	80,864	80,256
-	45,064	45,064
-	-	401,054
<u>\$ (31,078)</u>	<u>\$ 2,846,902</u>	<u>\$ 2,925,305</u>

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# SUPPORTING SCHEDULES



**State of New Mexico  
City of Santa Fe  
Schedule of Deposits and Investments  
June 30, 2024**

<u>Bank Account Type/Name</u>	<u>Citibank</u>	<u>LGIP</u>
Santa Fe health - checking - non-interest bearing	\$ 261,210	\$ -
LGIP Fund - interest bearing	-	83,659,956
NMFA investment accounts**	-	-
Municipal checking - interest bearing	-	-
Common - checking - non-interest bearing	-	-
Government money market - restricted cash - interest bearing	-	-
Cash - interest bearing	-	-
Money market - interest bearing	-	-
Fixed income securities - interest bearing	-	-
BDD Money market - interest bearing	-	-
False alarm trust - interest bearing	-	-
<b>Total</b>	<b>261,210</b>	<b>83,659,956</b>
Reconciling items	912,482	-
<b>Reconciled balance</b>	<b>\$ 1,173,692</b>	<b>\$ 83,659,956</b>

Plus petty cash  
Less cash, cash equivalents, and investments per fiduciary  
funds statement of net position  
Less restricted cash, cash equivalents, and  
investments per statement of net position  

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Cash, cash equivalents, and investments per  
statement of net position  

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\*\*Accounts are U.S. Treasury MM Mutual Funds

Principal	New Mexico Finance Authority	Sterling National Bank	Wells Fargo Bank	Totals
\$ -	\$ -	\$ -	\$ -	\$ 261,210
-	-	-	-	83,659,956
-	78,168	-	-	78,168
-	-	265,289	-	265,289
-	-	-	27,930,985	27,930,985
7,286,214	-	-	-	7,286,214
-	-	-	-	-
278,360,185	-	-	-	278,360,185
9,976,563	-	-	-	9,976,563
75,871,934	-	-	-	75,871,934
-	-	-	107,216	107,216
371,494,896	78,168	265,289	28,038,201	483,797,720
(245,142)	-	-	(3,324,693)	(2,657,353)
<u>\$ 371,249,754</u>	<u>\$ 78,168</u>	<u>\$ 265,289</u>	<u>\$ 24,713,508</u>	<u>481,140,367</u>
				5,675
				(105,540,318)
				(3,835,929)
				<u>\$ 371,769,795</u>

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**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Collateral Pledged by Depository For Public Funds**  
**June 30, 2024**

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2024
<b>Sterling National Bank</b>				
	FNMA FNMS 3.5%	9/1/2043	3138ENS59	\$ 15,598
Total Sterling National Bank				15,598
Name and location of safekeeper for above pledged collateral: BNY Mellon, New York, New York				
<b>Wells Fargo Bank</b>				
	FR ZS4671 3.0%	8/1/2046	3132A5FL4	42,937,492
	FNMA 4355 2.0%	6/1/2051	31418DZV7	22,604,624
Total Wells Fargo Bank				65,542,116
Name and location of safekeeper for above pledged collateral: BNY Mellon, New York, New York				
<b>Total pledged collateral</b>				<b>\$ 65,557,714</b>

**State of New Mexico  
City of Santa Fe  
Schedule of Joint Powers Agreements  
For the Year Ended June 30, 2024**

<b>Joint Power Agreement</b>	<b>Participants</b>	<b>Responsible Party</b>	<b>Description</b>
1 City of Santa Fe and County of Santa Fe	City of Santa Fe County of Santa Fe BDD	City of Santa Fe County of Santa Fe BDD	To operate and manage the Buckman Direct Diversion Water Project
2 City of Santa Fe and County of Santa Fe	City of Santa Fe County of Santa Fe SWMA	City of Santa Fe County of Santa Fe BDD	To operate and manage the Santa Fe Solid Waste Management Agency
3 City of Santa Fe and NM Taxation and Revenue Department	City of Santa Fe NM Taxation and Revenue Department	City of Santa Fe NM Taxation and Revenue Department	City to issue CRS numbers necessary for the purpose of registering a business in New Mexico

<b>Beginning and Ending Dates</b>	<b>Total Estimated Project Amount and Amount Applicable to Party</b>	<b>Amount contributed By City During Current Fiscal Year</b>	<b>Audit Responsibility</b>	<b>Fiscal Agent and Responsible Reporting Entity</b>
Date of approval by DFA to termination by either party's governing body	50%	\$ 6,234,935	BDD	BDD
Date of approval by DFA to termination by either party's governing body	50%	\$ 5,117,397	SWMA	SWMA
7/1/2026 - 6/30/2026	0%	\$ -	City of Santa Fe	City of Santa Fe

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# COMPLIANCE SECTION





**CARR, RIGGS & INGRAM, L.L.C.**

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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor  
The Office of Management and Budget and  
The Mayor and Members of City Council  
City of Santa Fe  
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund that has a legally adopted annual budget of the City of Santa Fe (the “City”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements and have issued our report thereon dated December 16, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City’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’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’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 were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified 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 deficiency described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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 deficiency described in the accompanying schedule of findings and questioned costs as item 2024-002 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that are required to be reported per Section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of findings and questioned costs as items 2024-007 and 2024-008.

### **City's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **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 results 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.

*Carr, Riggs & Ingram, L.L.C.*

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

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

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor  
The Office of Management and Budget and  
City of Santa Fe Members of City Council  
City of Santa Fe  
Santa Fe, New Mexico

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Santa Fe's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were

not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiencies.

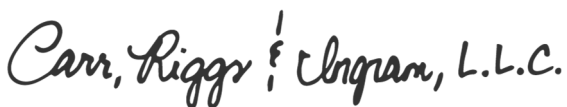
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 2024-005 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 2024-003, 2024-004, and 2024-006 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other 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.



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

**State of New Mexico  
City of Santa Fe  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024**

Federal Grantor or Pass- Through Grantor / Program Title	Grant/Pass Thru Number
<b>U.S. Department of Housing and Urban Development</b>	
CDBG - Entitlement Grants Cluster	
Community Development Block Grants/Entitlement Grants	B-22-MC-35-0003
COVID-19 - Community Development Block Grants/Entitlement Grants	B-20-MC-35-0003
Subtotal - CDBG - Entitlement Grants Cluster	
<b>Total U.S. Department of Housing and Urban Development</b>	
<b>U.S. Department of Transportation</b>	
<i>Direct Programs</i>	
COVID-19 Airport Improvement Program #51	SAF-SWG- 3-35-0037-051-2020
COVID-19 Airport Improvement Program #57	SAF-SWG- 3-35-0037-057-2021
Subtotal Airport Improvement Program	
Federal Transit Cluster	
Federal Transit Formula - Ridefinder Transit Enhancement	NM-2020-013-00
COVID-19 - Federal Transit Formula - Coronavirus Response and Relief Supplemental Appropriations Act	NM-2024-003-00
Federal Transit Formula - Buses and Bus Facilities Formula, Competitive, and Low or No Emissions	NM-2020-015, NM-2020-023
Subtotal Federal Transit Cluster	
<i>Passed through the New Mexico Highway and Transportation Department</i>	
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	M01628, D16022, D18464
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	01-AL-64-090
<i>Passed through the New Mexico Department of Homeland Security &amp; Emergency Management</i>	
Interagency Hazardous Materials Public Sector Training and Planning Grants	HMEP-2021-00-00
<b>Total U.S. Department of Transportation</b>	
<b>U.S. Department of the Treasury</b>	
<i>Direct Program</i>	
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	1505-0271
<b>Total U.S. Department of the Treasury</b>	
<b>National Endowment for the Arts</b>	
<i>Passed through Arts Midwest</i>	
Promotion of the Arts Grants to Organizations and Individuals	00031575
<b>Total National Endowment for the Arts</b>	

*See accompanying notes to schedule of expenditures of federal awards.*

Assistance Listing Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
14.218	\$ 1,512,065		\$ 588,054	
14.218	36,015		36,015	-
		1,548,080		
		1,548,080	624,069	-
20.106	902,589		-	-
20.106	876,014		-	-
		1,778,603		
20.507	3,685,987		-	-
20.507	1,660,795		-	-
20.526	531,610		-	-
		5,878,392		
20.505	347,268		-	-
20.608	33,335		-	-
20.703	36,951		-	-
		8,074,549		
21.027	4,233,636		2,963,537	-
		4,233,636	2,963,537	-
45.024	20,000		-	-
		20,000	-	-

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

**State of New Mexico  
City of Santa Fe  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024**

<b>Federal Grantor or Pass- Through Grantor / Program Title</b>	<b>Grant/Pass Thru Number</b>
<b>U.S. Department of Health and Human Services</b>	
<i>Passed through the North Central New Mexico Economic District Non-Metro Area Agency</i>	
National Family Caregiver Support, Title III, Part E Aging Cluster	2023-22-60026
Special Programs for the Aging: Title III Part B, Grants for Supportive Services and Senior Centers Services & Senior Centers	2023-22-60026
Special Programs for the Aging: Title III Part C-1, Nutrition Services	2023-22-60026
Special Programs for the Aging: Title III Part C-2, Nutrition Services	2023-22-60026
Nutrition Services Incentive Program (NSIP)	2023-22-60026
<hr/>	
Subtotal Aging Cluster	
<i>Passed through New Mexico Department of Human Services</i>	
Substance Abuse and Mental Health Services - Projects of Regional and National Significance (SAMHSA) (CARA)	2017-AR-BX-K032
<hr/>	
<b>Total U.S. Department of Health and Human Services</b>	
<hr/>	
<b>Corporation for National Community Service</b>	
<i>Passed through the New Mexico State Agency on Aging</i>	
AmeriCorps Seniors Retired and Senior Volunteer Program (RSVP) Foster Grandparent/Senior Companion Cluster	21-624-4000-0024
AmeriCorps Seniors Foster Grandparent Program (FGP)	21-624-4000-0024
<hr/>	
Subtotal - Foster Grandparent/Senior Companion Cluster	
<hr/>	
<b>Total Corporation for National Community Service</b>	
<hr/>	
<b>Executive Office of the President</b>	
<i>Passed through the New Mexico Department of Public Safety</i>	
High Intensity Drug Trafficking Areas Program	NMDPS#23-7900-4000- IGSA00017
<hr/>	
<b>Total Executive Office of the President</b>	
<hr/>	
<b>U.S. Department of Homeland Security</b>	
<i>Passed through the New Mexico Department of Homeland Security and Emergency Management</i>	
Emergency Management Performance Grants	EMT-2021-EP-00014-S01
Homeland Security Grant Program	EMW-2020-SS-00127-S01-01
<hr/>	
<b>Total U.S. Department of Homeland Security</b>	
<hr/>	
<b>Total Federal Financial Assistance</b>	
<hr/>	

*See accompanying notes to schedule of expenditures of federal awards.*

Assistance Listing Number	Federal Expenditures	Program/ Cluster Subtotal	Funds Provided to Subrecipients	Noncash Assistance
93.052	87,833		-	-
93.044	65,053		-	-
93.045	99,163		-	-
93.045	46,806		-	-
93.053	123,817		-	-
		334,839		
93.243	68,877		-	-
	491,548		-	-
94.002	37,500		-	-
94.011	25,198		-	-
		25,198		
	62,698		-	-
95.001	8,949		-	-
	8,949		-	-
97.042	26,751		-	-
97.067	54,614		-	-
	81,364		-	-
	\$ 14,520,825		\$ 3,587,606	\$ -

See accompanying notes to schedule of expenditures of federal awards.

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**State of New Mexico  
City of Santa Fe  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2024**

**Notes to Schedule of Expenditures of Federal Awards**

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the City of Santa Fe (the "City") and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, our used in the preparation of, the financial statements.

**2. Loans**

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

**3. 10% de minimus Indirect Cost Rate**

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

**4. Federally Funded Insurance**

The City has no federally funded insurance.

**Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:**

Total federal awards expended per schedule of expenditures of federal awards	\$	14,520,825
Total expenditures funded by other sources		351,582,421
<hr/>		
Total expenditures	\$	366,103,246
<hr/> <hr/>		

**State of New Mexico  
City of Santa Fe  
Schedule of Findings and Questioned Costs  
June 30, 2024**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditor’s report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | Yes        |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes        |
| c. Noncompliance material to the financial statements?                           | No         |

*Federal Awards:*

- |  |            |
|--|------------|
| 1. Type of auditor’s report issued on compliance for major programs  | Unmodified |
| 2. Internal control over major programs:   |            |
| a. Material weaknesses identified?   | Yes        |
| b. Significant deficiencies identified not considered to be material weaknesses?                               | Yes        |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516 (a)? | Yes        |
| 4. Identification of major programs:   |            |

Assistance Listing Number	Federal Program
20.106	COVID-19 Airport Improvement Program
20.507, 20.526	Federal Transit Cluster
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee?                                   | No        |

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2024-001 – Controls over Construction in Process (Material Weakness)**

*Condition:* The City's process for tracking construction in process (CIP) was not designed properly to ensure completed projects are capitalized and added to the capital asset subledger in a timely manner.

*Criteria:* The COSO Internal Control Integrated Framework provides guidelines for designing and implementing a system of internal controls that incorporates five necessary components of internal controls. These five components consist of the control environment, risk assessment, control activities, information and communication, and monitoring. Systems and control activities should be in place to evaluate ongoing construction projects to ensure they are capitalized and depreciated when put in service.

*Cause:* The City experienced significant turnover in its finance department during the 2020 and 2021 fiscal years. As such, many of the individuals responsible for ensuring the proper accounting treatment of CIP and completed projects were lost. Further, there was a time delay in the establishment of a new finance team and no established process inherited to ensure proper accounting treatment.

*Effect:* The City had a back log of CIP project costs, some dating back to 2020, that had to be extensively re-evaluated to ensure proper capitalization and depreciation of completed projects.

*Auditor recommendation:* The City should have mechanisms in place that ensure the finance department is up to speed with the status of ongoing projects and when projects are completed/are ready to be moved to a depreciable category. Additionally, the status of CIP projects should be reviewed by the finance department on a periodic basis throughout the fiscal year to identify and adjust for completed projects in a timely manner.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. The City did not have the necessary staffing or tools in place from FY2020 to FY2024 to ensure that construction in process (CIP) was tracked, reviewed and reconciled timely. The City's process for tracking CIP was limited in functionality and did not ensure completed projects were capitalized timely, which resulted in a backlog of completed projects that remained in CIP after the date that they were placed in service.

In FY2024 the City designated an Accounting Manager in the Finance Department, as the primary position responsible for oversight of Capital Assets and CIP. Currently Excel worksheets are the primary tool used for tracking CIP expenditures and capital assets with data that is derived from the Munis accounting system. The magnitude and complexity of the City's capital asset management needs require specialized software. The Accounting Manager is the functional lead on a project to implement the Capital Assets module in the Munis ERP system. This module will help track and monitor capital expenditures by project, from planning to completion, and provide detailed functionality to help manage capital processes.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**2024-001 – Controls over Construction in Process (Material Weakness) (Continued)**

Additionally, functionality provided by the project ledgers within Munis will assist in tracking any projects associated with capital expenditures, including across multiple fiscal years. The Capital Assets and Project Ledger modules need to be used in tandem to maintain an accurate accounting of projects throughout their lifecycle to identify and adjust for completed projects in a timely manner.

In conjunction with the implementation of the Capital Asset module, the City plans to update its policies and procedures to align with best practices and the functionality of the module. These changes will be communicated with respective departments via training sessions to help ensure cohesive accounting of Capital Assets and CIP citywide.

*Responsible Official:* Finance Director, Assistant Finance Director, Accounting Officer, Controller, and Capital Asset Accounting Manager (in recruitment)

*Timeline and Estimated Completion Date:* June 30, 2026

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**2024-002 – General Ledger Corrections (Significant Deficiency)**

*Condition:* The following inaccuracies in the Munis general ledger were not identified and corrected by the City in a timely manner, leading to the need for error corrections to beginning fund balance and net position:

- The June 30, 2022 unbilled accounts receivable in funds 500, 505, and 510 were posted in Munis, but was not reversed in fiscal year 2023. The amounts of each accrual were \$988,605 in fund 500, \$2,479,226 in fund 505, and \$1,040,192 in fund 510.
- Expense totaling \$3,091,959 was recorded in fund 500 instead of 505 during fiscal year 2023.
- Fund 505 had not booked miscellaneous revenue and receivable for Buckman Direct Diversion fiscal agent fees relating to fiscal year 2021-2024 totaling \$1,408,803.

*Criteria:* The COSO Internal Control Integrated Framework provides guidelines for designing and implementing a system of internal controls that incorporates five necessary components of internal controls. These five components consist of the control environment, risk assessment, control activities, information and communication, and monitoring. An integral part of designing proper control activities is implementing and maintaining a process to review the general ledger software for completeness and accuracy on a periodic basis.

*Cause:* The City was behind on audits and its financial closing process for an extended period of time prior to fiscal year 2024. This led to the inability to capture many adjustments in a timely manner in the City's general ledger system, which becomes closed to adjustment after a certain period of time.

*Effect:* The City adjusted for the items described above in fiscal year 2024 through fund balance and net position.

*Auditor recommendation:* The City's accounting and financial management team should continue to stay caught up on monthly and annual closing procedures. During these processes, the City should remain cognizant of items requiring adjustment and reversal to prevent instances such as those noted above in the future.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with the finding. Vacancies in key positions including the Accounting Officer, the Controller and the General Ledger Accounting Manager meant that there was not sufficient staffing in Finance to ensure that timely reconciliation of the general ledger was occurring. These key positions were filled in FY24. The City now has a Controller with substantial governmental accounting experience and robust expertise in the Munis ERP system. The City also hired an Accounting Officer with extensive government and non-profit audit experience, and expertise in governmental financial reporting in New Mexico. An experienced staff member who is a CPA was promoted to fill the General Ledger Accounting Manager role. Filling these key positions and retaining qualified staff is essential to establishing and maintaining key internal controls necessary to ensure that transactions are recorded in the general ledger timely and accurately.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**2024-002 – General Ledger Corrections (Significant Deficiency) (Continued)**

The Finance Department is committed to keeping caught up with monthly and annual closing procedures. The items noted in the finding were identified and corrected by management during FY24 and reported to the auditors during the audit. City staff identified that the key control that was not functioning as designed was timely reconciliation. To address this, the City will implement timely periodic reconciliation between the subsidiary ledgers such as the UCIS Utility Billing system and the EnerGov Land Use system, and the Munis general ledger. The Finance Department will review and reconcile balance sheet accounts periodically throughout the fiscal year, researching and following up on items such as unchanged account balances. A reconciliation checklist will be compiled and will include items such as prompt review of abnormal balances, evaluation of unchanged account balances, and other “red flag” items. Items identified through the review will be assigned to staff in the Controller Division to follow up on and resolve.

Additionally, the Finance Department will implement monthly review of balance sheet account balances, and general ledger reconciliation for all funds at least semi-annually. The Finance Department will conduct a review of past audit adjusting entries and infrequent manual journal entries and develop a comprehensive checklist of necessary journal entries. Review of the checklist will be incorporated into the month-end and year-end closing process. Journal entry templates will be established in Munis to prompt the creation of required accounting entries monthly and annually. The templates will include fields to denote the accounting string, the timing, and which entries are reversals.

*Responsible Official:* Finance Director, Accounting Officer, Controller, and General Ledger Accounting Manager

*Timeline and Estimated Completion Date:* June 30, 2025

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION III – FEDERAL AWARD FINDINGS**

**2024-003 – Reimbursement Requests (Significant Deficiency in Internal Controls over Compliance)**

*Federal Program Information*

*Federal Award Title and ALN:* Federal Transit Cluster, 20.507, 20.526  
*Federal Awarding Agency:* Department of Transportation  
*Federal Award ID Number:* N/A  
*Federal Award Year:* 2024

*Federal Award Title and ALN:* Airport Improvement Program, 20.106  
*Federal Awarding Agency:* Department of Transportation, Federal Aviation Administration  
*Federal Award ID Number:* SAF-SWG-3-35-0037-051-2020, SAF-SWG-3-35-0037-057-2021  
*Federal Award Year:* 2024

*Condition:* The City submitted reimbursements for grants in an untimely fashion for multiple months at a time in the Federal Transit Cluster and only at year-end in the Airport Improvement Program.

*Criteria:* Per 2 CFR 200.303(a), 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. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Per Title 2 US Code of Federal Regulations Part 200.302b, the non-federal entity must provide for effective control over, and accountability for, all funds, property, and other assets. The non-federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.

*Cause:* The City does not have sufficient controls in place to review and approve requests to submit as needed.

*Questioned Cost:* None.

*Effect:* The City’s financial position and cash balances were adversely affected due to the delay in requesting and receiving reimbursement for funds already disbursed. Significant time passing between disbursement of funds and preparation of reimbursement requests may increase the chance of errors.

*Auditor recommendation:* We recommend that the City establish policies and procedures for requesting reimbursement of grant expenditures on a monthly basis, including reconciliation of the expenditures and reimbursements under each grant.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2024-003 – Reimbursement Requests (Significant Deficiency in Internal Controls over Compliance) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. Vacancies in key positions including the Airport Manager and the Transit Director of Administration meant that there was not sufficient expertise in the program areas to ensure that reimbursement requests were prepared and submitted timely. These key positions have now been filled. The City now has an Airport Manager with substantial experience managing municipal airports and overseeing federal funding for airports. The City also hired a Transit Director of Administration with extensive federal and state grant management experience, and expertise in Transit programs. The Accounting Officer, Grants Manager and Accounting Financial Analyst positions in the Finance Department have been filled, and the Grants Division is now fully staffed. More robust staffing is allowing Finance to perform more oversight in addition to working more closely with Transit and Airport program staff. Filling these key positions and retaining qualified staff is essential to establishing a process for timely requests for reimbursement, and reconciliation of expenditures and reimbursement under each grant.

The Transit Division is working with a contractor provided by the FTA on establishing policies and procedures to ensure compliance with federal grant requirements. This contractor is also providing training and technical assistance to the Transit program. The scope of this work includes ensuring requests for reimbursement of grant expenditures are submitted timely, and reconciliations of grant expenditures and reimbursements are completed timely and accurately.

The Airport Department is in the process of contracting with a vendor to assist with federal compliance and provide training for Airport staff on relevant Uniform Guidance requirements. The vendor's scope of work will include helping with developing and documenting policies and standard operating procedures for requests for reimbursement, and reconciliation of expenditures and reimbursements. Additionally, the Airport Department plans to create a Grant Accountant position which will be responsible for reconciling grant expenditures monthly and processing reimbursement requests quarterly.

In CY25 the City plans to provide Uniform Guidance training for staff which will include internal controls related to cash management.

*Responsible Official:* Finance Director, Airport Manager, Transit Director of Administration, Accounting Officer, Grants Manager.

*Timeline and Estimated Completion Date:* June 30, 2025

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2024-004 (2023-004) – Activities Allowed, Allowable Costs over Payroll (Significant Deficiency in Internal Controls over Compliance) (Repeated/Modified)**

*Federal Program Information*

*Federal Award Title and ALN:* Airport Improvement Program, 20.106  
*Federal Awarding Agency:* Department of Transportation, Federal Aviation Administration  
*Federal Award ID Number:* SAF-SWG-3-35-0037-057-2021  
*Federal Award Year:* 2024

*Condition:* Two payroll checks were duplicated and included in the request for reimbursement. These checks totaled \$2,694, out of a total of \$876,014 in payroll charged to the program.

*Management’s Progress on Repeat Findings:* Some progress made from prior year.

*Criteria:* Per 2 CFR 200.303(a), 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. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Per 2 CFR section 200.430(f) – Factors affecting allowability of costs, costs charged to Federal programs may not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.

*Cause:* The City does not have sufficient controls in place to ensure the accuracy of the amounts listed on the general ledger as charged to the grant.

*Questioned Cost:* Known and likely questioned costs of \$2,694

*Effect:* The City requested and received reimbursement for duplicate transactions not properly allocable to the program in the amount of \$2,694.

*Auditor recommendation:* The auditor recommends that the City implement a final review for potential duplicated costs prior to approving reimbursement requests, and adjust the general ledger for any such items noted.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2024-004 (2023-004) – Activities Allowed, Allowable Costs over Payroll (Significant Deficiency in Internal Controls over Compliance) (Repeated/Modified) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. A reimbursement request was submitted 3/18/24 in the amount of \$634,532.45. It was later identified that the reimbursement request included duplicate payroll expenditures in the amount of \$2,694. One of the duplicated items, totaling \$1,115, was identified through internal review within the City of Santa Fe after the reimbursement request was submitted. A credit memo has been processed in the FAA’s Delphi system and the City has repaid the \$1,115 amount that was duplicated. The other item, totaling \$1,579, was identified through the external audit. The City will process an additional credit memo and repay the \$1,579 amount promptly.

The Finance Director, the Accounting Officer, and the Grants team are working with the Airport team to strengthen policies and procedures and ensure a full review of the general ledger for the federal program to ensure no duplicate costs are charged prior to reimbursement requests being submitted. A secondary review by the Finance Department of all Airport requests for reimbursement is now occurring prior to submission to FAA. In addition, we have started using employee pay advices as additional supporting documentation for reimbursement requests. In the past excel spreadsheets were used as supporting documentation, and the Finance Department review sometimes happened after the reimbursement request was submitted.

Vacancies in key positions resulted in a lack of robust review of reimbursement requests prior to submission. These key positions have now been filled. The City now has an Airport Manager with substantial experience managing municipal airports and overseeing federal funding for airports. The Accounting Officer, Grants Manager and Accounting Financial Analyst positions in the Finance Department have been filled, and the Grants Division is now fully staffed. More robust staffing is allowing Finance to work more closely with the Airport team. One of the primary duties of the new Accounting Financial Analyst in the Grants Division is to support the administration of Airport grants.

The City is in the process of contracting with a vendor to assist the Airport with federal compliance and provide training for Airport staff on relevant Uniform Guidance requirements. The vendor’s scope of work will include helping with developing and documenting policies and standard operating procedures for requests for reimbursement. Additionally, the Airport Department plans to create a Grant Accountant position which will be responsible for reconciling grant expenditures monthly and processing reimbursement requests quarterly. The Finance Department will continue to perform a secondary review of Airport requests for reimbursement prior to submission to FAA.

In CY25 the City plans to provide Uniform Guidance training for staff which will include internal controls related to activities allowed and allowable costs.

*Responsible Official:* Finance Director, Airport Manager, Accounting Officer, Grants.

*Timeline and Estimated Completion Date:* June 30, 2025

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2024-005 (2023-006) – Equipment and Real Property Management (Material Weakness over Internal Controls over Compliance) (Repeated/Modified)**

*Federal Program Information*

*Federal Award Title and ALN:* Airport Improvement Program, 20.106  
*Federal Awarding Agency:* Department of Transportation, Federal Aviation Administration  
*Federal Award ID Number:* SAF-SWG-3-35-0037-051-2020  
*Federal Award Year:* 2024

*Condition:* The City’s approved annual inventory was not complete. There was no information to identify the funding source of the equipment and/or property.

*Management’s Progress on Repeat Findings:* Some progress made from prior year.

*Criteria:* Per 2 CFR 200.303(a), 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. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Per 2 CFR 200.313(d)(1) 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.

*Cause:* Turnover in related positions resulted in delays in making revisions to the listing to incorporate information on Federal participation in the purchases.

*Questioned Cost:* None.

*Effect:* The City could dispose of federally funded equipment without following federal guidelines.

*Auditor recommendation:* The auditor recommends the City enhance the design of its control activities and create a tool to assist in tracking and maintaining equipment purchased with federal funds. Additionally, the employees responsible for the inventory should be trained to ensure understanding of the Uniform Guidance requirements relevant to equipment and real property management. Periodic review should also be designed to evaluate compliance with relevant requirements.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2024-005 (2023-006) – Equipment and Real Property Management (Material Weakness over Internal Controls over Compliance) (Repeated/Modified) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. During FY24 the Airport Manager hired a Heavy Equipment Mechanic. This position is responsible for tracking, maintaining, and repairing Airport equipment. Logbooks are now being kept for all equipment.

In CY25 the Finance Director, the Accounting Officer, and the Grants team will work with the Airport team to improve internal controls over equipment purchased with federal funds. Policies and procedures will be developed to ensure that an accurate physical inventory that contains the information required by the Uniform Guidance is conducted at year-end.

The City is in the process of contracting with a vendor to assist the Airport with federal compliance and provide training for Airport staff on relevant Uniform Guidance requirements. The vendor's scope of work will include helping with developing and documenting policies and standard operating procedures related to equipment management. Tools will be developed to facilitate tracking and maintaining equipment purchased with federal funds.

Additionally, the Airport Department plans to create a Grant Accountant position which will be responsible for reconciling grant expenditures monthly. The Grant Accountant will also work with the Airport Heavy Equipment Mechanic to ensure that the inventory listing includes the funding source used for the purchase (i.e. federal or non-federal).

In CY25 the City plans to provide Uniform Guidance to staff which will include capital assets and equipment information, and the specific requirements for the year-end inventory.

*Responsible Official:* Finance Director, Airport Manager, Airport Heavy Equipment Mechanic, Accounting Officer, Grants Manager.

*Timeline and Estimated Completion Date:* June 30, 2025

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2024-006 – Subrecipient Monitoring (Significant Deficiency in Internal Controls over Compliance)**

*Federal Program Information*

*Federal Award Title and ALN:* COVID-19 – Coronavirus State and Local Fiscal Recovery Funds, 21.027  
*Federal Awarding Agency:* Department of the Treasury  
*Federal Award ID Number:* N/A  
*Federal Award Year:* 2024

*Condition:* In 5 of 5 samples tested, there was no indication of the City review and approval on performance reports required of the subrecipient to submit for monitoring. Other monitoring activities were performed. One contract was reported as a subaward on the preliminary SEFA.

*Criteria:* Per Title 2 US Code of Federal Regulations Part 200.303a, non-federal entities must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entities is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Per Title 2 US Code of Federal Regulations Part 200.332e(1), in monitoring a subrecipient, a pass-through entity must review financial and performance reports.

*Cause:* Inconsistent application of controls throughout the year and with different subrecipients and entities resulted in poor documentation of control activities, and misclassification of a contract as a subaward.

*Questioned Cost:* None.

*Effect:* Inconsistent application of controls can result in noncompliance due to errors or fraud not being prevented or detected by employees. The Uniform Guidance requires pass-through entities to review reports submitted by subrecipients, and the City was not able to substantiate compliance with this requirement.

*Auditor recommendation:* We recommend the City strengthen policies and procedures to ensure program directors are following procedures and documenting review and approval as part of monitoring of subrecipients, and that subawards reported on the SEFA are verified against the characteristics of the agreement and the relationship with the other entity.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2024-006 – Subrecipient Monitoring (Significant Deficiency in Internal Controls over Compliance)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. Vacancies in key positions resulted in a lack of robust oversight of subrecipient monitoring during FY24. These key positions have now been filled. The Accounting Officer, Grants Manager and Accounting Financial Analyst positions in the Finance Department have been filled with qualified people who have extensive grant management experience, and the Grants Division is now fully staffed. More robust staffing is allowing Finance to work more closely with federal grant program managers throughout City government.

During the second half of FY24 the Finance team worked with our accounting consulting firm to develop and deploy Uniform Guidance training to over 50 employees City-wide. The AGA Recipient checklist for determining if the entity receiving funds has a contractor or subrecipient relationship was discussed and provided during this training and some City departments are now using it as part of the process to develop agreements that use federal funds. The Finance Director’s review of proposed agreements now includes an evaluation of the reasonableness of the subrecipient or contractor determination prior to the Finance Director signing the agreement.

In CY25 the Finance team will work to develop additional procedures to ensure that subawards reported on the SEFA are verified against the characteristics of the agreement and the relationship with the other entity. Additionally, the Finance Director, the Accounting Officer, and the Grants team will work to strengthen policies and procedures and deploy training to ensure program managers understand subrecipient monitoring procedures, including documenting review and approval as part of monitoring of subrecipients. The City plans to provide additional Uniform Guidance training for staff in CY25 which will include subrecipient monitoring requirements.

*Responsible Official:* Finance Director, Accounting Officer, Grants Manager.

*Timeline and Estimated Completion Date:* June 30, 2025

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS**

**2024-007 (2021-017) – Pledged Collateral (Other Noncompliance) (repeated/modified)**

*Condition:* The City's Citibank account was under-collateralized by \$5,605 at June 30, 2024.

*Management Progress on Repeat Findings:* The City closed its account with Guadalupe Credit Union prior to yearend, which had been uncollateralized since the inception of the finding. However, another account was over the FDIC limit unexpectedly at June 30, 2024, resulting in the instance above.

*Criteria:* Pursuant to Section 6-10-17 NMSA 1978, the pledged collateral for deposits in banks and savings and loan associations shall have an aggregate value equal to one-half of the amount of public money held by the depository.

*Effect:* Not having proper collateral could lead to the loss of City funds in the event of a financial institution failure.

*Cause:* The financial institution did not provide collateralization for the account in question, which was not identified by the City.

*Auditor's Recommendation:* The City should work with Citibank to monitor and ensure sufficient collateral is pledged throughout the year or maintain its funds at a financial institution that will provide adequate coverage.

*Views of Responsible Officials and Planned Corrective Action:* The City concurs with this finding. The Citibank account serves as a clearing account for claims related to the City's self-insured health plan, which is managed by Cigna Healthcare. Cigna processes payments from the Citibank account, and the City replenishes the account on a weekly basis. The Treasury Officer and the Benefits and Wellness Manager have been in communication with Cigna representatives to clarify the New Mexico requirement for pledged collateral on public funds. The Finance Department, in collaboration with the Human Resources Department and Cigna, will develop and implement a plan to ensure that the pledged collateral requirement for the claims account is met moving forward.

*Responsible Official:* Finance Director, Assistant Finance Director, and Treasury Officer, Benefits and Wellness Manager

*Timeline and Estimated Completion Date:* June 30, 2025

**State of New Mexico  
City of Santa Fe  
Schedule of Findings and Questioned Costs  
June 30, 2024**

**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)**

**2024-008 (2021-020) – Cash Appropriations in Excess of Available Cash Balances (Other Noncompliance)  
(repeated/modified)**

*Condition:* The City budgeted deficits in excess of available cash balances in the following funds:

	<b>Budgeted Deficit - Cash Appropriations</b>	<b>Beginning Year Cash &amp; AR Available</b>	<b>Cash Appropriation in Excess of Available</b>
<b>Governmental Funds</b>			
<b>Non Major Funds</b>			
Capital Equipment Reserve Fund	\$ (803,571)	\$ 137,069	\$ (666,502)

*Management Progress on Repeat Findings:* The City had less funds in deficit and the dollar amount by which the funds were over-expended decreased as compared to fiscal year 2023.

*Criteria:* Section 2.2.2.10. (Q) and (R), NMAC, state that budgeted expenditures cannot exceed budgeted revenues in an amount more than prior year cash balance and any applicable federal receivables.

*Effect:* If budget deficits are not monitored closely, it could result in a funding shortfall.

*Cause:* The City did not identify that the budgeted deficits in the funds listed above were not covered by the prior balance of cash and federal receivables.

*Auditor's Recommendation:* The City should review and monitor future budgets for budgeted deficits that are not covered by ending cash and federal receivables as of the start of the fiscal year. Additionally, the City should review for adequate coverage of budget deficits as part of the budgeting process throughout the fiscal year.

*Views of Responsible Officials and Planned Corrective:* The City agrees with this finding. The issue that caused the deficit is related to proceeds received from an auction that was held to dispose of surplus City property, primarily vehicles that could no longer be used by the City. The revenue from the auction was recorded in the funds that owned the assets that were disposed of. The Budget team and the Capital Asset Accounting Manager agreed to transfer cash from those funds into Fund 210 (Capital Equipment Reserve) to fund the purchase of new vehicles. This transfer entry was never recorded in Munis, however the purchase of the new vehicles did occur during FY24, resulting in a deficit in Fund 210 as of June 30, 2024.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)**

**2024-008 (2021-020) – Cash Appropriations in Excess of Available Cash Balances (Other Noncompliance)  
(continued) (repeated/modified)**

The City agrees that conducting periodic reviews for adequate coverage of budget deficits throughout the fiscal year would be helpful. The City is implementing new budget software, Questica, which will help modernize the budgeting process and will facilitate timelier budget-to-actuals monitoring including quarterly and monthly budget projection reports. The reporting capabilities of the Questica system will help the budget team conduct periodic reviews for adequate coverage of budget deficits. This will allow deficits and issues to be identified earlier, allowing time for entries to be made to resolve the deficits before the end of the fiscal year.

*Responsible Official:* Finance Director, Assistant Finance Director, Accounting Officer, and Budget Officer, Controller and Capital Asset Accounting Manager (in recruitment)

*Timeline and Estimated Completion Date:* December 31, 2025

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2024**

**SECTION V – PRIOR YEAR AUDIT FINDINGS**

2023-001 (originally 2019-007) – Schedule of Expenditures of Federal Awards and Internal Controls over Grant Reporting – Resolved

2023-002 (originally 2017-001) – Internal Controls over Financial Close and Reporting – Resolved

2023-003 (originally 2020-008) – Controls over Cash Balances – Resolved

2023-004 – Activities allowed, Allowable Costs over Payroll – Repeated/Modified

2023-005 – Activities allowed, Allowable Costs over Payroll - Resolved

2023-006 – Equipment and Real Property Management – Repeated/Modified

2023-007 (originally 2021-009) – Financial Reporting – Resolved

2023-008 (originally 2021-017) – Pledged Collateral – Repeated/Modified

2023-009 (originally 2020-021) – Budgetary Compliance – Resolved

2023-010 (originally 2021-020) – Cash Appropriations in Excess of Available Cash Balances – Repeated/Modified

2023-011 – Controls Over Vendor Information – Resolved

2023-012 – Bank Account authorized signers – Resolved

2023-013 (originally 2019-020) – Late Audit Report – Resolved

**State of New Mexico  
City of Santa Fe  
Other Disclosures  
June 30, 2024**

**EXIT CONFERENCE**

An exit conference was held on December 10, 2024. In attendance were the following:

**Representing the City of Santa Fe:**

Alan Webber	Mayor
Diane Rubin	Chair – Audit Committee
Carol Romero-Wirth	City Councilor
Randy Randall	Interim City Manager
Emily Oster, CPA, CGMA, CPO	Finance Director
Alexis Lotero	Assistant Finance Director
Matthew Bonifer, CPA	Accounting Officer
Andy Hopkins	Budget Officer
Josie Bolden	Controller
Melanie Sharpe	Payroll Officer
Travis Dutton-Leyda, CPO	Procurement Officer
Erika Lujan	Grants Manager
Diane Sena	Treasury Manager
Matt Bone, CPA	Contractor
Joan Scholz	Contractor
Chris Zaucha	Contractor

**Representing Carr, Riggs & Ingram, LLC:**

Alan D. "A.J." Bowers, Jr., CPA, CITP	Partner
Eric Spurlin, CPA, CITP	Partner

**AUDITOR PREPARED FINANCIAL STATEMENTS**

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