



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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2023**

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# INTRODUCTORY SECTION



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**City of Santa Fe**  
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**June 30, 2023**

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**State of New Mexico  
City of Santa Fe  
Official Roster  
June 30, 2023**

<u>Name</u>	<u>Mayor</u>	<u>Title</u>
Alan M. Webber		Mayor
	<u>City Council</u>	
Signe I. Lindell		Mayor Pro Tem, District 1
Renee Villarreal		District 1
Carol Romero-Wirth		District 2
Michael Garcia		District 2
Christopher M. Rivera		District 3
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
Vacant		Controller
Travis Dutton-Leyda		Chief Procurement Officer
Andrew Hopkins		Budget Officer
Melanie Sharpe		Payroll Manager
Vacant		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 comparison for the general fund and major special revenue fund that has a legally adopted annual budgets of the City of Santa Fe, New Mexico (the “City”), as of and for the year ended June 30, 2023, 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 budgets of the City, as of June 30, 2023, 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***

### ***Change in Accounting Principle***

As described in Note 2 to the financial statements, the City implemented GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). 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 22, the GASB required pension schedules on pages 128 through 131, the GASB required other post-employment benefit schedules on pages 132 through 135, and the notes to the required supplementary information on page 136 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 and individual 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 and individual 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.

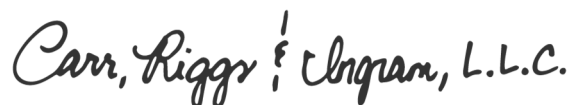
### ***Other Information***

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 May 15, 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  
May 15, 2024

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2023**

As management of the City of Santa Fe (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the financial statements of the City 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 \$725,064,707 (net position). The City's net position that is restricted for capital projects and other purposes is \$110,688,906. The City's net investment in capital assets is \$576,894,672. The City has an overall unrestricted net position as of June 30, 2023 of \$37,481,129.
- Change in net position for the year ended June 30, 2023 was an increase of \$103,860,163 as a result of operations. The increase is primarily due to an increase in revenues of 15%.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$73,495,615 or 66% of total general fund expenditures.
- The City's total debt outstanding at June 30, 2023 is \$215,561,406.

**Overview of the Financial Statements**

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

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

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

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Overview of the 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).

Both of the government-wide financial statements display functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) and those functions that are provided by user fees (business-type activities). The governmental activities of the City include general government, physical environment (public works), economic environment, public safety, human services (health and welfare), and culture and recreation. 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.

The government-wide financial statements can be found on pages 24 through 27 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. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *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. 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*.

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Overview of the Financial Statements (Continued)**

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 fund, the debt service fund, and the ½% gross receipts tax 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 ½% gross receipts tax fund to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 28 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 125 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 139 through 189 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$725,064,707 at the close of the most recent fiscal year. The City had revenues that exceeded expenditures during the year in the amount of \$103,860,163 which increased net position in the current year as a result of operations.



**State of New Mexico**  
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**Management's Discussion and Analysis**  
**June 30, 2023**

**Government-wide Financial Analysis (Continued)**

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 \$576,894,672 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, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Santa Fe's Net Position

Governmental Activities	June 30, 2023			June 30, 2022			Percent Change
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
Current and other assets	\$ 236,500,426	\$ 202,270,896	\$ 438,771,322	\$ 206,452,389	\$ 180,895,911	\$ 387,348,300	13.28%
Net capital assets	372,726,868	414,025,216	786,752,084	331,665,270	411,111,667	742,776,937	5.92%
Total assets	609,227,294	616,296,112	1,225,523,406	538,117,659	592,007,578	1,130,125,237	8.44%
Deferred outflows of resources	27,966,363	8,237,462	36,203,825	18,114,465	5,816,955	23,931,420	51.28%
Total assets and deferred outflows of resources	\$ 637,193,657	\$ 624,533,574	\$ 1,261,727,231	\$ 556,232,124	\$ 597,824,533	\$ 1,154,056,657	9.33%
Current liabilities	\$ 64,935,958	\$ 25,614,246	\$ 90,550,204	\$ 42,509,050	\$ 19,629,617	\$ 62,138,667	45.72%
Long-term liabilities	238,355,422	147,939,824	386,295,246	225,286,393	149,275,406	374,561,799	3.13%
Total liabilities	303,291,380	173,554,070	476,845,450	267,795,443	168,905,023	436,700,466	9.19%
Deferred inflows of resources	37,264,384	22,552,690	59,817,074	64,801,299	31,350,348	96,151,647	-37.79%
Net investment in capital assets	273,912,597	302,982,075	576,894,672	225,387,548	290,863,376	516,250,924	11.75%
Restricted	110,688,906	-	110,688,906	100,583,025	-	100,583,025	0.00%
Unrestricted (deficit)	(87,963,610)	125,444,739	37,481,129	(102,335,191)	106,705,786	4,370,595	757.57%
Total net position	296,637,893	428,426,814	725,064,707	223,635,382	397,569,162	621,204,544	16.72%
Total liabilities, deferred inflows of resources, and net position	\$ 637,193,657	\$ 624,533,574	\$ 1,261,727,231	\$ 556,232,124	\$ 597,824,533	\$ 1,154,056,657	9.33%

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Changes in Net Position**

The City's total revenues of \$347,598,791 and expenses of \$243,738,628 resulted in a change in net position of \$103,860,163 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, 2023			June 30, 2022			Percent Change
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	
<b>Revenues</b>							
Program revenues							
Charges for services	\$ 20,675,776	\$ 84,543,413	\$ 105,219,189	\$ 16,650,336	\$ 77,560,393	\$ 94,210,729	12%
Operating grants and contribution	11,994,382	-	11,994,382	4,174,024	258,119	4,432,143	171%
Capital grants and contributions	10,413,480	9,134,268	19,547,748	3,728,767	2,789,680	6,518,447	0%
General revenues							
Gross receipts tax	151,575,148	6,504,900	158,080,048	142,960,149	6,018,757	148,978,906	6%
Other taxes	40,648,558	-	40,648,558	36,561,382	-	36,561,382	11%
Investment income (loss)	7,282,284	3,091,026	10,373,310	(349,269)	119,070	(230,199)	0%
Transfers in (out)	(25,112,088)	25,112,088	-	(37,743,955)	37,743,955	-	0%
Other revenues	947,166	788,390	1,735,556	9,936,004	1,108,735	11,044,739	100%
<b>Total revenues</b>	<b>218,424,706</b>	<b>129,174,085</b>	<b>347,598,791</b>	<b>175,917,438</b>	<b>125,598,709</b>	<b>301,516,147</b>	<b>15%</b>
<b>Expenses</b>							
General government	\$ 35,209,306	-	35,209,306	28,124,844	-	28,124,844	25%
Public safety	50,016,610	-	50,016,610	53,380,359	-	53,380,359	-6%
Public works	28,805,328	-	28,805,328	16,532,250	-	16,532,250	74%
Community development	11,493,911	-	11,493,911	11,362,033	-	11,362,033	1%
Culture and recreation	15,467,774	-	15,467,774	24,273,710	-	24,273,710	-36%
Education	2,977,713	-	2,977,713	4,260,523	-	4,260,523	-30%
Interest and other charges	1,449,353	-	1,449,353	3,550,231	-	3,550,231	-59%
Issuance costs	2,200	-	2,200	189,018	-	189,018	0%
Wastewater management	-	14,031,661	14,031,661	-	12,446,927	12,446,927	13%
Water management	-	32,068,295	32,068,295	-	35,623,072	35,623,072	-10%
Environmental services	-	15,799,354	15,799,354	-	14,065,432	14,065,432	12%
College of Santa Fe	-	5,263,948	5,263,948	-	4,546,639	4,546,639	16%
Santa Fe Convention Center	-	5,363,427	5,363,427	-	5,278,149	5,278,149	2%
All other proprietary funds	-	25,789,748	25,789,748	-	23,456,372	23,456,372	10%
<b>Total expenses</b>	<b>145,422,195</b>	<b>98,316,433</b>	<b>243,738,628</b>	<b>141,672,968</b>	<b>95,416,591</b>	<b>237,089,559</b>	<b>3%</b>
<b>Increase in net position</b>	<b>73,002,511</b>	<b>30,857,652</b>	<b>103,860,163</b>	<b>34,244,470</b>	<b>30,182,118</b>	<b>64,426,588</b>	<b>61%</b>
<b>Net position - beginning, as previously stated</b>							
	223,635,382	397,569,162	621,204,544	187,196,082	367,387,044	554,583,126	12%
<b>Net position - restatement</b>							
	-	-	-	2,194,830	-	2,194,830	100%
<b>Net position - beginning</b>							
	223,635,382	397,569,162	621,204,544	189,390,912	367,387,044	556,777,956	12%
<b>Net position - ending</b>							
	\$ 296,637,893	\$ 428,426,814	\$ 725,064,707	\$ 223,635,382	\$ 397,569,162	\$ 621,204,544	17%

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Financial Analysis of the Government's Funds**

As noted earlier, 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 \$182,105,609, an increase of \$28,021,815 in comparison with the prior year. Approximately 37.2 percent of this total amount, \$67,880,384, 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 chief operating fund of the City. The unassigned fund balance represents 66 percent of the total general fund expenditures or approximately 7 months of operating equity.

**Budgetary Highlights**

The final FY23 General Fund revenue budget of \$122,048,840 increased by \$1,337,835 from the original revenue budget of \$120,711,005. Amendments to the FY23 General Fund original budgeted expenditures amount of \$118,856,622 totaled \$7,178,259, bringing the final General Fund expenditures budget to \$126,034,881. The actual FY23 General Fund revenues totaled \$133,452,785, or \$11,403,945 over the final revenue budget, while the actual FY23 expenditures for the General Fund were \$111,581,633, or \$14,453,248 less than the final expenditures budget. This resulted in a favorable net budget variance of \$25,857,193 for the General Fund at the end of FY23.

The final FY23 Community Development Grant Fund revenue budget of \$19,745,368 increased by \$17,247,278 from the original revenue budget of \$2,498,090. Amendments to the FY23 Community Development Grant Fund original budgeted expenditures amount of \$4,996,400 totaled \$22,277,336, bringing the final expenditures budget to \$27,273,736. The actual FY23 revenues totaled \$7,842,923, or \$11,902,445 below the final revenue budget, while the actual FY23 expenditures were \$9,288,049, or \$17,985,687 less than the final expenditures budget. This resulted in a favorable net budget variance of \$6,083,242 for the Community Development Grant Fund at year-end FY23.

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Budgetary Highlights (Continued)**

The final FY23 ½% GRT Income Fund revenue budget of \$22,762,442 increased by \$770,644 from the original revenue budget of \$21,991,798. Amendments to the FY23 ½% GRT Income Fund original budgeted expenditures amount of \$2,376,771 totaled \$3,292,253, bringing the final ½% GRT Income Fund expenditures budget to \$5,669,024. The actual FY23 ½% GRT Income Fund revenues totaled \$26,078,315, or \$3,315,873 above the final revenue budget, while the actual FY23 expenditures for the ½% GRT Income Fund were \$3,411,855, or \$2,257,169 less than the final expenditures budget. This resulted in a favorable net budget variance of \$5,573,042 for the ½% GRT Income Fund at year-end FY23.

**Capital Asset and Debt Administration**

**Capital Assets**

The City's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$372,726,868 for governmental activities and \$414,025,216 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 shows the summarized capital assets of the City as of June 30, 2023.

<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	\$ 169,939,946	\$ -	\$ 169,939,946
Construction in progress	74,211,698	-	74,211,698
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>-</b>	<b>245,114,971</b>
Capital assets being depreciated			
Buildings and Structures	66,915,641	29,092,994	37,822,647
Improvements	105,655,254	84,713,872	20,941,382
Equipment and Machinery	23,950,306	16,244,228	7,706,078
Furniture and Fixtures	1,125,873	471,561	654,312
Vehicle	36,465,787	24,440,019	12,025,768
Data Processing and Software	12,926,142	9,193,419	3,732,723
Traffic Signals	23,517,339	23,447,662	69,677
Streets	228,580,156	187,461,208	41,118,948
Right of use asset- equipment	40,212	40,212	-
Right of use asset- subscriptions	5,601,952	2,061,590	3,540,362
<b>Total capital assets being depreciated</b>	<b>504,778,662</b>	<b>377,166,765</b>	<b>127,611,897</b>
<b>Total capital assets</b>	<b>\$ 749,893,633</b>	<b>\$ 377,166,765</b>	<b>\$ 372,726,868</b>

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Capital Asset and Debt Administration (Continued)**

Business-type Activities Asset Description	Carrying Amount	Accumulated Depreciation	Net Position Balance
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	-	90,961,426
Art	219,971	-	219,971
<b>Total capital assets not being depreciated</b>	<b>132,876,934</b>	<b>-</b>	<b>132,876,934</b>
Capital assets being depreciated			
Buildings and Structures	328,807,354	121,317,980	207,489,374
Improvements	155,315,876	147,366,521	7,949,355
Sewerlines and Utility Systems	166,078,679	112,100,919	53,977,760
Equipment and Machinery	20,741,833	18,312,289	2,429,544
Furniture and Fixtures	662,843	638,909	23,934
Vehicles	38,494,725	29,438,384	9,056,341
Data Processing and Software	2,476,673	2,468,328	8,345
Right of use asset- equipment	335,951	160,189	175,762
Right of use asset- subscriptions	75,735	37,868	37,867
<b>Total capital assets being depreciated</b>	<b>712,989,669</b>	<b>431,841,387</b>	<b>281,148,282</b>
<b>Total capital assets</b>	<b>\$ 845,866,603</b>	<b>\$ 431,841,387</b>	<b>\$ 414,025,216</b>

Additional information on the City's capital assets can be found in Note 7 on page 86 through 89 of this report.

**Long-Term Debt**

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 15,250,000	\$ 16,590,000	\$ -	\$ -	\$ 15,250,000	\$ 16,590,000
Revenue bonds/loans	56,674,300	62,728,000	6,835,000	79,562,000	63,509,300	142,290,000
Other loans/notes payable	16,648,257	18,321,878	95,974,328	31,327,677	112,622,585	49,649,555
Bond premiums	5,830,235	7,073,205	7,760,043	8,730,502	13,590,278	15,803,707
Compensated absences	5,175,409	4,844,044	1,929,534	1,780,853	7,104,943	6,624,897
Lease and subscription liabilities	3,261,314	20,134	222,986	268,747	3,484,300	288,881
Claims payable	10,417,341	8,422,437	-	-	10,417,341	8,422,437
<b>Total long-term debt</b>	<b>\$ 113,256,856</b>	<b>\$ 117,999,698</b>	<b>\$ 112,721,891</b>	<b>\$ 121,669,779</b>	<b>\$ 225,978,747</b>	<b>\$ 239,669,477</b>

Additional information on the City's debt can be found in Note 8 on page 90 through 104 of this report.

**State of New Mexico**  
**City of Santa Fe**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Economic Factors and Next Year's Budget and Rates**

The overall City financial picture as of June 30, 2023 was more optimistic than expected when the FY23 budget was adopted in April 2022. The largest single source of revenue to the City is Gross Receipts Tax (GRT), which represents 36.2% of total operating City revenue. For FY23, GRT ended up approximately 12% over budget; year-end GRT revenue performance also reflects an 8% increase from the FY22 GRT number. Although monthly GRT receipts had ups and downs throughout the year, overall the GRT trend of strong growth continued through the end of FY23. The Finance Department monitors these trends as GRT distributions are received, and revises earnings estimates accordingly.

As for the remainder of the revenue picture, other major items such as Property Tax, Lodgers' Tax, Other Taxes, Ambulance Fees, Wastewater Fees and Other Fees also performed well above budgeted estimates, though some categories such as Gasoline Tax, Licenses/Permits, Parking Fees and Fines/Forfeitures came in significantly below budgeted estimates. Overall, however, the revenue forecast is a positive one, with total overall revenues coming in at 1% over budget for FY23. On the expenditure side, we have seen the trend continue from past years; major expense categories ended FY23 well under budget. Overall expenses ended the fiscal year at 19% below budgeted levels.

Based on year-to-date revenue performance in FY24, GRT revenues appear to be leveling off and coming in at or near FY23 levels.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to City 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, 2023</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	\$ 182,345,818	\$ 170,327,403	\$ 352,673,221
Receivables			
Taxes	32,312,623	1,177,432	33,490,055
Intergovernmental	11,660,348	1,266,869	12,927,217
Customer, net	-	13,675,087	13,675,087
Other	5,124,616	262,411	5,387,027
Leases receivable, current	413,538	489,909	903,447
Inventory	118,476	464,189	582,665
Prepaid expenses	-	556,281	556,281
Internal balances	(640,265)	640,265	-
Total current assets	231,335,154	188,859,846	420,195,000
Noncurrent assets			
Restricted cash, cash equivalents, and investments	1,485,810	1,671,749	3,157,559
Leases receivable, net of current portion	3,679,462	11,739,301	15,418,763
Capital assets not being depreciated	245,114,971	132,876,934	377,991,905
Capital assets being depreciated	499,136,498	712,577,983	1,211,714,481
Right-to-use assets - leases	40,212	335,951	376,163
Right-to-use assets - subscriptions	5,601,952	75,735	5,677,687
Accumulated amortization - leases	(40,212)	(160,189)	(200,401)
Accumulated amortization - subscriptions	(2,061,590)	(37,868)	(2,099,458)
Accumulated depreciation	(375,064,963)	(431,643,330)	(806,708,293)
Total noncurrent assets	377,892,140	427,436,266	805,328,406
Total assets	609,227,294	616,296,112	1,225,523,406
<b>Deferred outflows of resources</b>			
Deferred outflows - pension	20,588,973	5,917,968	26,506,941
Deferred outflows - OPEB	7,377,390	2,319,494	9,696,884
Total deferred outflows of resources	27,966,363	8,237,462	36,203,825
Total assets and deferred outflows of resources	\$ 637,193,657	\$ 624,533,574	\$ 1,261,727,231

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



June 30, 2023	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 13,470,491	\$ 5,375,738	\$ 18,846,229
Accrued payroll	3,139,082	671,047	3,810,129
Due to other governments	34,748	7,643,913	7,678,661
Unearned revenue	13,131,971	581,437	13,713,408
Deposits held in trust for others	9,898,850	1,974,606	11,873,456
Other current liabilities	674,550	746,909	1,421,459
Accrued interest payable	531,966	327,829	859,795
Claims and judgments	10,417,341	-	10,417,341
Lease liabilities, due within one year	-	83,761	83,761
Subscription liabilities, due within one year	2,151,170	38,000	2,189,170
Long term liabilities, due within one year	11,485,789	8,717,006	20,202,795
Total current liabilities	64,935,958	26,160,246	91,096,204
Noncurrent liabilities			
Net pension liability	125,457,468	36,060,722	161,518,190
Net OPEB liability	23,695,398	7,449,978	31,145,376
Lease liabilities, due in more than one year	-	101,225	101,225
Subscription liabilities, due in more than one year	1,110,144	-	1,110,144
Long term liabilities, due in more than one year	88,092,412	103,781,899	191,874,311
Total noncurrent liabilities	238,355,422	147,393,824	385,749,246
Total liabilities	303,291,380	173,554,070	476,845,450
<b>Deferred inflows of resources</b>			
Deferred inflows - unamortized gain on refund of bonds	1,150,165	250,784	1,400,949
Deferred inflows - leases	4,036,183	12,349,499	16,385,682
Deferred inflows - pension	4,935,538	1,418,640	6,354,178
Deferred inflows - OPEB	27,142,498	8,533,767	35,676,265
Total deferred inflows of resources	37,264,384	22,552,690	59,817,074
<b>Net position</b>			
Net investment in capital assets	273,912,597	302,982,075	576,894,672
Restricted for			
Debt service	1,935,982	-	1,935,982
Capital projects	20,132,839	-	20,132,839
Special revenue	88,620,085	-	88,620,085
Unrestricted (deficit)	(87,963,610)	125,444,739	37,481,129
Total net position	296,637,893	428,426,814	725,064,707
Total liabilities, deferred inflows of resources, and net position	\$ 637,193,657	\$ 624,533,574	\$ 1,261,727,231

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

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

**For the Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental activities</b>				
General government	\$ 35,209,306	\$ 14,120,368	\$ -	\$ 5,074,897
Public safety	50,016,610	631,681	4,447,840	-
Public works	28,805,328	4,826,150	1,020,340	4,449,406
Culture and recreation	11,493,911	38,902	265,621	104,450
Community development	15,467,774	1,058,675	6,260,581	784,727
Education	2,977,713	-	-	-
Interest and other charges	1,449,353	-	-	-
Issuance costs	2,200	-	-	-
<b>Total governmental activities</b>	<b>145,422,195</b>	<b>20,675,776</b>	<b>11,994,382</b>	<b>10,413,480</b>
<b>Business-type activities</b>				
Wastewater management	14,031,661	16,620,508	-	3,249
Water management	32,068,295	38,151,416	-	633
Santa Fe Convention Center	5,363,427	797,243	-	7,377
College of Santa Fe	5,263,948	1,629,024	-	-
Environmental services	15,799,354	17,254,276	-	-
Municipal recreation complex	2,292,087	954,926	-	-
Parking	4,139,286	4,056,585	-	-
Railyard properties	1,673,282	1,104,811	-	-
Airport	3,975,884	2,247,369	-	9,123,009
Transit system	8,074,392	341,053	-	-
Genoveva Chavez Community Center	5,634,817	1,386,202	-	-
<b>Total business-type activities</b>	<b>98,316,433</b>	<b>84,543,413</b>	<b>-</b>	<b>9,134,268</b>
<b>Total primary government</b>	<b>\$ 243,738,628</b>	<b>\$ 105,219,189</b>	<b>\$ 11,994,382</b>	<b>\$ 19,547,748</b>

**General revenues and transfers**

Taxes  
Gross receipts  
Lodgers'  
Property  
Other  
Lease revenue  
Investment income  
Other revenues  
Gain from sale of assets  
Transfers

**Total general revenues and transfers**

Change in net position

Net position - beginning of year

Net position - end of year

*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
\$ (16,014,041)	\$ -	\$ (16,014,041)
(44,937,089)	-	(44,937,089)
(18,509,432)	-	(18,509,432)
(11,084,938)	-	(11,084,938)
(7,363,791)	-	(7,363,791)
(2,977,713)	-	(2,977,713)
(1,449,353)	-	(1,449,353)
(2,200)	-	(2,200)
<b>(102,338,557)</b>	<b>-</b>	<b>(102,338,557)</b>
-	2,592,096	2,592,096
-	6,083,754	6,083,754
-	(4,558,807)	(4,558,807)
-	(3,634,924)	(3,634,924)
-	1,454,922	1,454,922
-	(1,337,161)	(1,337,161)
-	(82,701)	(82,701)
-	(568,471)	(568,471)
-	7,394,494	7,394,494
-	(7,733,339)	(7,733,339)
-	(4,248,615)	(4,248,615)
-	(4,638,752)	(4,638,752)
<b>(102,338,557)</b>	<b>(4,638,752)</b>	<b>(106,977,309)</b>
151,575,148	6,504,900	158,080,048
19,948,448	-	19,948,448
12,263,744	-	12,263,744
8,436,366	-	8,436,366
279,198	200,205	479,403
7,282,284	3,091,026	10,373,310
667,968	533,465	1,201,433
-	54,720	54,720
(25,112,088)	25,112,088	-
<b>175,341,068</b>	<b>35,496,404</b>	<b>210,837,472</b>
73,002,511	30,857,652	103,860,163
223,635,382	397,569,162	621,204,544
<b>\$ 296,637,893</b>	<b>\$ 428,426,814</b>	<b>\$ 725,064,707</b>

*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, 2023</b>	<b>General Fund</b>	<b>Community Development Grants Fund</b>
<b>Assets</b>		
Cash, cash equivalents, and investments	\$ 64,765,553	\$ 22,595,443
Receivables		
Taxes	18,802,283	230,810
Intergovernmental	7,643,754	758,495
Other, net	1,343,881	-
Leases	-	-
Inventory	55,327	-
Due from other funds	3,324,162	689,978
<b>Total assets</b>	<b>\$ 95,934,960</b>	<b>\$ 24,274,726</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 4,814,021	\$ 1,313,034
Accrued payroll	2,822,385	-
Due to other governments	34,231	-
Unearned revenue	-	12,926,447
Deposits held in trust for others	9,273,194	600,871
Other current liabilities	600,858	-
Due to other funds	1,437,063	1,529
<b>Total liabilities</b>	<b>18,981,752</b>	<b>14,841,881</b>
<b>Deferred inflows of resources</b>		
Unavailable revenue - leases	-	-
Unavailable revenue - property taxes	425,433	-
Unavailable revenue - other	76,833	-
<b>Total deferred inflows of resources</b>	<b>502,266</b>	<b>-</b>
<b>Fund balances</b>		
Nonspendable	55,327	-
Spendable		
Restricted	-	9,432,845
Assigned	2,900,000	-
Unassigned (deficit)	73,495,615	-
<b>Total fund balances</b>	<b>76,450,942</b>	<b>9,432,845</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 95,934,960</b>	<b>\$ 24,274,726</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>
\$ 7,577,935	\$ 1,716,637	\$ 78,903,673	\$ 175,559,241
4,709,734	167,323	8,402,473	32,312,623
-	-	3,258,099	11,660,348
-	3,894	3,317,913	4,665,688
-	-	4,093,000	4,093,000
-	-	-	55,327
707,753	-	15,903,768	20,625,661
<u>\$ 12,995,422</u>	<u>\$ 1,887,854</u>	<u>\$ 113,878,926</u>	<u>\$ 248,971,888</u>
\$ 257,537	\$ -	\$ 5,630,311	\$ 12,014,903
30,516	-	167,419	3,020,320
-	517	-	34,748
-	-	205,524	13,131,971
-	-	24,785	9,898,850
14,167	-	59,525	674,550
18,247,219	-	1,580,115	21,265,926
<u>18,549,439</u>	<u>517</u>	<u>7,667,679</u>	<u>60,041,268</u>
-	-	4,036,183	4,036,183
-	115,638	-	541,071
-	-	2,170,924	2,247,757
-	115,638	6,207,107	6,825,011
-	-	-	55,327
-	1,771,699	100,065,354	111,269,898
-	-	-	2,900,000
(5,554,017)	-	(61,214)	67,880,384
<u>(5,554,017)</u>	<u>1,771,699</u>	<u>100,004,140</u>	<u>182,105,609</u>
\$ 12,995,422	\$ 1,887,854	\$ 113,878,926	\$ 248,971,888

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, 2023**

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

Fund balances - total governmental funds	\$ 182,105,609
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds	366,671,650
Right to use assets, net of accumulated amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,935,092
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	(9,429,445)
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	541,071
Liquor licenses	76,833
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	19,455,226
Deferred inflows - pension	(4,663,758)
Deferred outflows - OPEB	6,928,085
Deferred inflows - OPEB	(25,489,442)
Deferred inflows - unamortized gain on refunding of bonds	(1,150,165)
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	(531,966)
Current portion of accrued compensated absences	(1,630,932)
Long term accrued compensated absences	(3,166,331)
Current portion of subscription liabilities	(1,038,510)
Long term portion of subscription liabilities	(941,918)
Current portion of long term debt payable	(9,999,206)
Long term portion of long term debt payable	(84,403,586)
Net pension liability	(118,549,057)
Net OPEB Liability	(22,252,281)
Net position - governmental activities	\$ 296,637,893

*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, 2023</b>	<b>General Fund</b>	<b>Community Development Grants Fund</b>
<b>Revenues</b>		
Taxes		
Gross receipts	\$ 98,962,862	\$ 1,275,180
Lodgers'	-	-
Property	9,516,085	-
Other	6,814,152	-
Intergovernmental		
Federal operating	-	4,976,197
State operating	-	30,952
State capital		
Lease revenue	-	-
Charges for services	14,117,868	978,428
Investment income (loss)	3,991,797	578,597
Other revenues	50,021	3,569
<b>Total revenues</b>	<b>133,452,785</b>	<b>7,842,923</b>
<b>Expenditures</b>		
Current		
General government	14,279,897	-
Public safety	39,819,047	-
Public works	21,167,821	-
Community development	1,931,019	8,879,097
Education	1,970,727	-
Culture and recreation	5,368,820	-
Capital outlay	26,957,080	408,952
Debt service		
Principal payments	87,118	-
Interest	104	-
Debt issuance costs	-	-
<b>Total expenditures</b>	<b>111,581,633</b>	<b>9,288,049</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>21,871,152</b>	<b>(1,445,126)</b>
<b>Other financing sources (uses)</b>		
Proceeds from sale of assets	213,807	17,179
Transfers in	3,104,936	3,031,545
Transfers (out)	(11,627,857)	-
<b>Total other financing sources (uses)</b>	<b>(8,309,114)</b>	<b>3,048,724</b>
<b>Net change in fund balances</b>	<b>13,562,038</b>	<b>1,603,598</b>
<b>Fund balances - beginning of year</b>	<b>62,888,904</b>	<b>7,829,247</b>
<b>Fund balances - end of year</b>	<b>\$ 76,450,942</b>	<b>\$ 9,432,845</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>
\$ 26,019,597	\$ -	\$ 25,317,509	\$ 151,575,148
-	-	19,948,448	19,948,448
-	2,632,995	-	12,149,080
-	-	1,622,214	8,436,366
-	-	2,362,673	7,338,870
-	-	4,624,560	4,655,512
-	-	10,413,480	10,413,480
-	-	279,198	279,198
-	-	5,576,980	20,673,276
58,686	90,654	2,562,550	7,282,284
32	-	614,346	667,968
<b>26,078,315</b>	<b>2,723,649</b>	<b>73,321,958</b>	<b>243,419,630</b>
2,940,772	26,328	9,607,177	26,854,174
196	-	3,892,339	43,711,582
-	-	1,221,798	22,389,619
-	-	4,398,913	15,209,029
-	-	-	1,970,727
-	-	3,380,909	8,749,729
470,887	-	31,334,975	59,171,894
-	8,333,672	1,588,875	10,009,665
-	2,756,265	378,941	3,135,310
-	2,200	-	2,200
<b>3,411,855</b>	<b>11,118,465</b>	<b>55,803,927</b>	<b>191,203,929</b>
<b>22,666,460</b>	<b>(8,394,816)</b>	<b>17,518,031</b>	<b>52,215,701</b>
-	-	577,069	808,055
679,851	9,155,098	16,971,908	32,943,338
(19,615,027)	-	(26,702,395)	(57,945,279)
<b>(18,935,176)</b>	<b>9,155,098</b>	<b>(9,153,418)</b>	<b>(24,193,886)</b>
3,731,284	760,282	8,364,613	28,021,815
(9,285,301)	1,011,417	91,639,527	154,083,794
<b>\$ (5,554,017)</b>	<b>\$ 1,771,699</b>	<b>\$ 100,004,140</b>	<b>\$ 182,105,609</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, 2023**

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

Net change in fund balances - total governmental funds	\$	28,021,815
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		
		(5,574,257)
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		59,171,894
Depreciation expense		(14,703,731)
Amortization of right-to-use assets		(987,652)
Capital asset disposals		(8,093,498)
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		114,664
Change in unavailable revenue related to liquor licenses		2,500
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		7,452,203
Pension expense		(10,219,624)
Contributions subsequent to the measurement date - OPEB		1,143,355
OPEB benefit		5,271,405
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		
Decrease in accrued compensated absences		(292,186)
Decrease in accrued interest		48,646
Principal payments on debt payable		9,067,321
Principal payments on subscription liabilities		922,210
Principal payments on lease liabilities		20,134
Amortization of bond premiums and deferred debt items		1,637,312
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>73,002,511</b>

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

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**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, 2023</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	\$ 87,340,228	\$ 88,496,194	\$ 98,962,862	\$ 10,466,668
Property	9,092,019	9,188,189	9,516,085	327,896
Other	6,158,690	6,158,690	6,814,152	655,462
Intergovernmental				
State operating grants	-	83,749	-	(83,749)
Charges for services	17,846,014	17,847,964	14,117,868	(3,730,096)
Investment income (loss)	57,826	57,826	3,991,797	3,933,971
Other revenues	216,228	216,228	50,021	(166,207)
<b>Total revenues</b>	<b>120,711,005</b>	<b>122,048,840</b>	<b>133,452,785</b>	<b>11,403,945</b>
<b>Expenditures</b>				
Current				
General government	26,246,233	25,152,013	14,279,897	10,872,116
Public safety	53,570,006	58,992,822	39,819,047	19,173,775
Public works	28,307,323	30,894,735	21,167,821	9,726,914
Community development	2,326,588	2,398,327	1,931,019	467,308
Education	2,731,064	2,703,420	1,970,727	732,693
Culture and recreation	5,675,408	5,688,773	5,368,820	319,953
Capital outlay	-	204,791	26,957,080	(26,752,289)
Debt service				
Principal	-	-	87,118	(87,118)
Interest and other charges	-	-	104	(104)
<b>Total expenditures</b>	<b>118,856,622</b>	<b>126,034,881</b>	<b>111,581,633</b>	<b>14,453,248</b>
Excess (deficiency) of revenues over expenditures	1,854,383	(3,986,041)	21,871,152	25,857,193
<b>Other financing sources (uses)</b>				
Designated cash (budgeted cash increase)	(1)	12,285,351	-	(12,285,351)
Proceeds from sale of assets	223,609	223,609	213,807	(9,802)
Proceeds from software subscriptions	-	-	-	-
Transfers in	3,102,180	3,104,936	3,104,936	-
Transfers (out)	(5,180,171)	(11,627,855)	(11,627,857)	(2)
<b>Total other financing sources (uses)</b>	<b>(1,854,383)</b>	<b>3,986,041</b>	<b>(8,309,114)</b>	<b>(12,295,155)</b>
Net change in fund balances	-	-	13,562,038	13,562,038
Fund balances - beginning of year	-	-	62,888,904	62,888,904
Fund balances - end of year	\$ -	\$ -	\$ 76,450,942	\$ 76,450,942

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

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**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, 2023</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	\$ 1,221,288	\$ 1,221,288	\$ 1,275,180	\$ 53,892
Intergovernmental				
Federal operating grants	614,520	17,861,235	4,976,197	(12,885,038)
State operating grants	32,782	33,345	30,952	(2,393)
Charges for services	479,515	479,515	978,428	498,913
Investment income (loss)	3,834	3,834	578,597	574,763
Other revenues	146,151	146,151	3,569	(142,582)
<b>Total revenues</b>	<b>2,498,090</b>	<b>19,745,368</b>	<b>7,842,923</b>	<b>(11,902,445)</b>
<b>Expenditures</b>				
Current				
Community development	4,996,400	27,273,736	8,879,097	18,394,639
Capital outlay	-	-	408,952	(408,952)
<b>Total expenditures</b>	<b>4,996,400</b>	<b>27,273,736</b>	<b>9,288,049</b>	<b>17,985,687</b>
Excess (deficiency) of revenues over expenditures	(2,498,310)	(7,528,368)	(1,445,126)	6,083,242
<b>Other financing sources (uses)</b>				
Designated cash (budgeted cash increase)	-	4,478,538	-	(4,478,538)
Proceeds from leases	18,286	18,285	17,179	(1,106)
Transfers in	2,480,024	3,031,545	3,031,545	-
<b>Total other financing sources (uses)</b>	<b>2,498,310</b>	<b>7,528,368</b>	<b>3,048,724</b>	<b>(4,479,644)</b>
Net change in fund balances	-	-	1,603,598	1,603,598
Fund balances - beginning of year	-	-	7,829,247	7,829,247
<b>Fund balances - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,432,845</b>	<b>\$ 9,432,845</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, 2023</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	\$ 38,999,903	\$ 76,752,984	\$ 25,971,382
Receivables			
Taxes	588,716	-	588,716
Intergovernmental	-	-	-
Customer, net	2,825,471	6,759,963	2,777,881
Other	1,556	69,397	1,133
Prepaid expenses	-	556,281	-
Due from other funds	94,053	-	585,447
Lease receivable	-	106,012	-
Inventory	-	464,189	-
Total current assets	42,509,699	84,708,826	29,924,559
Noncurrent assets			
Leases receivable, less current portion	-	1,806,600	-
Capital assets not being depreciated	32,501,982	24,420,770	-
Capital assets being depreciated	100,648,720	314,159,260	19,682,714
Right-to-use lease assets - leases	-	-	-
Right-to-use lease assets - subscriptions	-	-	-
Accumulated amortization - leases	-	-	-
Accumulated amortization - subscriptions	-	-	-
Accumulated depreciation	(86,020,714)	(173,758,391)	(14,067,352)
Total capital assets, net accumulated depreciation	47,129,988	164,821,639	5,615,362
Total noncurrent assets	47,129,988	166,628,239	5,615,362
Total assets	89,639,687	251,337,065	35,539,921
Deferred outflows of resources			
Deferred outflows - pension	946,467	1,547,032	1,061,813
Deferred outflows - OPEB	375,110	613,092	420,782
Total deferred outflows of resources	1,321,577	2,160,124	1,482,595
Total assets and deferred outflows of resources	\$ 90,961,264	\$ 253,497,189	\$ 37,022,516

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



<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental</b>
				<b>Activities</b>
<b>Santa Fe</b>				
<b>Convention</b>	<b>College of Santa</b>	<b>Nonmajor</b>		<b>Internal Service</b>
<b>Center</b>	<b>Fe</b>	<b>Enterprise Funds</b>	<b>Total</b>	<b>Funds</b>
\$ 8,883,578	\$ 1,380,253	\$ 20,011,052	\$ 171,999,152	\$ 8,272,387
-	-	-	1,177,432	-
-	-	1,266,869	1,266,869	-
-	-	1,311,772	13,675,087	-
302	1	190,022	262,411	458,928
-	-	-	556,281	-
-	-	-	679,500	-
35,199	-	348,698	489,909	-
-	-	-	464,189	63,149
<u>8,919,079</u>	<u>1,380,254</u>	<u>23,128,413</u>	<u>190,570,830</u>	<u>8,794,464</u>
369,481	-	9,563,220	11,739,301	-
39,000	11,535,449	64,379,733	132,876,934	222,291
50,465,996	42,473,161	185,148,132	712,577,983	3,190,351
-	-	335,951	335,951	-
-	-	75,735	75,735	2,699,314
-	-	(160,189)	(160,189)	-
-	-	(37,868)	(37,868)	(1,094,044)
<u>(17,513,905)</u>	<u>(17,864,326)</u>	<u>(122,418,642)</u>	<u>(431,643,330)</u>	<u>(897,786)</u>
<u>32,991,091</u>	<u>36,144,284</u>	<u>127,322,852</u>	<u>414,025,216</u>	<u>4,120,126</u>
<u>33,360,572</u>	<u>36,144,284</u>	<u>136,886,072</u>	<u>425,764,517</u>	<u>4,120,126</u>
<u>42,279,651</u>	<u>37,524,538</u>	<u>160,014,485</u>	<u>616,335,347</u>	<u>12,914,590</u>
229,122	14,881	2,118,653	5,917,968	1,133,747
90,804	5,892	813,814	2,319,494	449,305
<u>319,926</u>	<u>20,773</u>	<u>2,932,467</u>	<u>8,237,462</u>	<u>1,583,052</u>
<u>\$ 42,599,577</u>	<u>\$ 37,545,311</u>	<u>\$ 162,946,952</u>	<u>\$ 624,572,809</u>	<u>\$ 14,497,642</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, 2023</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	\$ 985,012	\$ 1,799,110	\$ 329,703
Accrued payroll	102,003	158,618	114,598
Accrued interest payable	48,356	110,199	584
Unearned revenue	-	-	-
Other liabilities	-	308,287	380,684
Due to other governments	7,789	7,185,827	363,949
Deposits held in trust for others	15,250	1,438,855	-
Bonds payable, current, net of amortized discounts	817,044	1,290,957	-
Notes payable, current	-	947,822	193,907
Lease liabilities, current	-	-	-
Subscription liabilities - due within one year	-	-	-
Compensated absence payable, current	126,837	218,216	137,884
Claims and judgment payable	-	-	-
Due to other funds	39,235	-	-
Total current liabilities	2,141,526	13,457,891	1,521,309
Noncurrent liabilities			
Bonds payable, net of unamortized discounts	13,678,164	32,391,102	-
Notes payable	-	5,688,875	-
Compensated absences payable	205,367	353,433	223,322
Lease payable	-	-	-
Subscription liabilities, due in more than one year	-	-	-
Net pension liability	5,767,234	9,426,730	6,470,079
Net OPEB liability	1,204,814	1,969,187	1,351,507
Total noncurrent liabilities	20,855,579	49,829,327	8,044,908
Total liabilities	22,997,105	63,287,218	9,566,217
Deferred inflows of resources			
Deferred inflows - unamortized gain on refunding of bonds	-	-	-
Deferred inflows - leases	-	1,888,948	-
Deferred inflows - pension	226,885	370,851	254,535
Deferred inflows - OPEB	1,380,085	2,255,656	1,548,118
Total deferred inflows of resources	1,606,970	4,515,455	1,802,653
Net position			
Net investment in capital assets	32,634,780	124,502,883	5,421,455
Unrestricted (deficit)	33,722,409	61,191,633	20,232,191
Total net position	66,357,189	185,694,516	25,653,646
Total liabilities, deferred inflows of resources, and net position	\$ 90,961,264	\$ 253,497,189	\$ 37,022,516

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

Business-type Activities - Enterprise Funds				Governmental Activities
Santa Fe Convention Center	College of Santa Fe	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 172,588	\$ 317,478	\$ 1,771,847	\$ 5,375,738	\$ 1,455,588
19,823	2,522	273,483	671,047	118,762
57,749	58,633	52,308	327,829	-
300,000	16,667	264,770	581,437	-
-	-	57,938	746,909	-
-	-	86,348	7,643,913	-
369,160	23,333	128,008	1,974,606	-
1,298,070	-	1,948,610	5,354,681	-
-	975,000	509,010	2,625,739	-
-	-	83,761	83,761	-
-	-	38,000	38,000	1,112,660
14,060	875	238,714	736,586	144,349
-	-	-	-	10,417,341
-	-	-	39,235	-
2,231,450	1,394,508	5,452,797	26,199,481	13,248,700
17,038,499	-	13,467,597	76,575,362	-
-	19,055,000	1,269,714	26,013,589	-
22,773	1,417	386,636	1,192,948	233,797
-	-	101,225	101,225	-
-	-	-	-	168,226
1,396,137	90,675	12,909,867	36,060,722	6,908,411
291,654	18,925	2,613,891	7,449,978	1,443,117
18,749,063	19,166,017	30,748,930	147,393,824	8,753,551
20,980,513	20,560,525	36,201,727	173,593,305	22,002,251
-	-	250,784	250,784	-
345,960	-	10,114,591	12,349,499	-
54,924	3,567	507,878	1,418,640	271,780
334,082	21,678	2,994,148	8,533,767	1,653,056
734,966	25,245	13,867,401	22,552,690	1,924,836
14,654,522	16,114,284	109,654,151	302,982,075	2,839,240
6,229,576	845,257	3,223,673	125,444,739	(12,268,685)
20,884,098	16,959,541	112,877,824	428,426,814	(9,429,445)
\$ 42,599,577	\$ 37,545,311	\$ 162,946,952	\$ 624,572,809	\$ 14,497,642

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**

<b>For Year Ended June 30, 2023</b>	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Waste Water Management</b>	<b>Water Management</b>	<b>Environmental Services</b>
Operating revenues			
Charges for services	\$ 15,569,451	\$ 36,050,193	\$ 16,124,790
Facilities rentals	136,365	51,935	274,724
Other revenues	914,692	2,049,288	854,762
Premiums	-	-	-
<b>Total operating revenues</b>	<b>16,620,508</b>	<b>38,151,416</b>	<b>17,254,276</b>
Operating expenses			
Salaries, wages, and fringe benefits	4,892,017	6,785,038	5,059,839
Contractual services and utilities	2,684,033	5,653,595	5,402,341
Repairs and maintenance	927,551	668,518	1,278,385
Supplies	1,136,150	902,092	548,360
Small equipment	71,085	44,316	392,760
Depreciation expense	1,988,822	8,690,269	1,543,283
Insurance	-	-	-
Claims and judgments	-	-	-
Other	1,866,852	8,158,139	1,574,386
<b>Total operating expenses</b>	<b>13,566,510</b>	<b>30,901,967</b>	<b>15,799,354</b>
<b>Operating income (loss)</b>	<b>3,053,998</b>	<b>7,249,449</b>	<b>1,454,922</b>
Non-operating revenues (expenses)			
Investment income (loss)	124,629	1,202,411	430,643
Intergovernmental			
State-shared taxes	3,252,450	-	3,252,450
Gain (loss) on sale of capital assets			
Lease revenue	-	126,775	-
Interest expense	(465,151)	(1,166,328)	-
Other nonoperating revenue (expense)	-	-	-
<b>Total non-operating revenues (expenses)</b>	<b>2,911,928</b>	<b>162,858</b>	<b>3,683,093</b>
<b>Income (loss) before transfers and capital contributions</b>	<b>5,965,926</b>	<b>7,412,307</b>	<b>5,138,015</b>
Capital grants			
Federal	-	633	-
State	3,249	-	-
Transfers			
Transfers in	863,946	1,856,036	887,223
Transfers (out)	(995,359)	(2,778,917)	(915,969)
<b>Change in net position</b>	<b>5,837,762</b>	<b>6,490,059</b>	<b>5,109,269</b>
<b>Net position - beginning of year</b>	<b>60,519,427</b>	<b>179,204,457</b>	<b>20,544,377</b>
<b>Net position - end of year</b>	<b>\$ 66,357,189</b>	<b>\$ 185,694,516</b>	<b>\$ 25,653,646</b>

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

Business-type Activities - Enterprise Funds				Governmental Activities
Santa Fe Convention Center	College of Santa Fe	Nonmajor Enterprise Funds	Total	Internal Service Funds
\$ 712,082	\$ -	\$ 8,173,936	\$ 76,630,452	\$ 9,439,332
27,923	1,547,385	517,646	2,555,978	-
57,238	81,639	1,399,364	5,356,983	196,155
-	-	-	-	27,157,237
797,243	1,629,024	10,090,946	84,543,413	36,792,724
1,140,565	137,397	10,707,626	28,722,482	7,707,052
465,749	1,074,440	3,467,982	18,748,140	2,952,329
112,331	1,273,962	1,033,038	5,293,785	350,858
127,256	368	891,510	3,605,736	1,627,688
52,736	-	241,255	802,152	1,041,512
1,200,487	1,687,944	4,864,924	19,975,729	1,599,128
5,590	290,109	16,375	312,074	3,265,923
-	-	-	-	23,336,260
1,532,263	45,164	4,277,285	17,454,089	681,686
4,636,977	4,509,384	25,499,995	94,914,187	42,562,436
(3,839,734)	(2,880,360)	(15,409,049)	(10,370,774)	(5,769,712)
117,140	13,516	1,202,687	3,091,026	318,853
-	-	-	6,504,900	-
-	-	54,720	54,720	-
22,368	-	51,062	200,205	-
(726,450)	(754,564)	(289,753)	(3,402,246)	(13,251)
-	-	533,465	533,465	-
(586,942)	(741,048)	1,552,181	6,982,070	305,602
(4,426,676)	(3,621,408)	(13,856,868)	(3,388,704)	(5,464,110)
-	-	1,237,894	1,238,527	-
7,377	-	7,885,115	7,895,741	-
8,652,099	3,121,698	14,593,072	29,974,074	183,205
(144,695)	-	(27,046)	(4,861,986)	(293,352)
4,088,105	(499,710)	9,832,167	30,857,652	(5,574,257)
16,795,993	17,459,251	103,045,657	397,569,162	(3,855,188)
\$ 20,884,098	\$ 16,959,541	\$ 112,877,824	\$ 428,426,814	\$ (9,429,445)

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, 2023</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	\$ 16,822,508	\$ 37,837,455	\$ 16,910,658
Cash payments to suppliers for goods and services	(8,828,164)	(14,005,082)	(11,121,650)
Cash payments to employees for services	(3,130,875)	(4,480,022)	(3,527,498)
Net cash provided (used) by operating activities	4,863,469	19,352,351	2,261,510
<b>Cash flows from noncapital financing activities</b>			
Intergovernmental taxes and grants	3,252,450	633	3,252,450
Transfers in from other funds	863,946	1,856,036	887,223
Transfers out to other funds	(995,359)	(2,778,917)	(915,969)
Cash received from leases	-	126,775	-
Net cash provided (used) by noncapital financing activities	3,121,037	(795,473)	3,223,704
<b>Cash flows from capital and related financing activities</b>			
Acquisition and construction of capital assets	(2,931,314)	(4,696,078)	(826,412)
Proceeds from sale of capital assets	-	-	-
Proceeds from capital grants	3,249	-	-
Proceeds from software subscriptions	-	-	-
Principal paid on revenue bond maturities and notes payable	(818,821)	(2,165,189)	(1,495,238)
Interest paid on revenue bonds and notes payable	(482,070)	(1,171,931)	(5,142)
Net cash provided (used) by capital and related financing activities	(4,228,956)	(8,033,198)	(2,326,792)
<b>Cash flows from investing activities</b>			
Interest and dividends on investments	124,629	1,202,411	430,643
Net cash provided (used) by investing activities	124,629	1,202,411	430,643
<b>Net increase (decrease) in cash, cash equivalents, and investments</b>	3,880,179	11,726,091	3,589,065
Cash, cash equivalents, and investments - beginning of year	35,119,724	65,026,893	22,382,317
Cash, cash equivalents, and investments - end of year	\$ 38,999,903	\$ 76,752,984	\$ 25,971,382

*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>
\$ 592,290	\$ 1,671,284	\$ 10,763,520	\$ 84,597,715	\$ 36,782,077
(2,647,755)	(2,799,536)	(12,804,843)	(52,207,030)	(31,244,262)
(867,209)	45,018	(9,673,656)	(21,634,242)	(7,620,507)
(2,922,674)	(1,083,234)	(11,714,979)	10,756,443	(2,082,692)
-	-	533,465	7,038,998	-
8,652,099	3,121,698	14,593,072	29,974,074	183,205
(144,695)	-	(27,046)	(4,861,986)	(293,352)
22,368	-	51,062	200,205	-
8,529,772	3,121,698	15,150,553	32,351,291	(110,147)
(283,921)	(358,014)	(13,753,235)	(22,848,974)	(1,671,761)
-	-	(93,733)	(93,733)	-
7,377	-	9,123,009	9,133,635	-
-	-	38,000	38,000	-
(1,246,319)	(950,000)	(2,458,630)	(9,134,197)	(1,418,428)
(702,319)	(756,593)	(291,235)	(3,409,290)	(13,251)
(2,225,182)	(2,064,607)	(7,435,824)	(26,314,559)	(3,103,440)
117,140	13,516	1,202,687	3,091,026	318,853
117,140	13,516	1,202,687	3,091,026	318,853
3,499,056	(12,627)	(2,797,563)	19,884,201	(4,977,426)
5,384,522	1,392,880	22,808,615	152,114,951	13,249,813
\$ 8,883,578	\$ 1,380,253	\$ 20,011,052	\$ 171,999,152	\$ 8,272,387

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, 2023</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)	\$ 3,053,998	\$ 7,249,449	\$ 1,454,922
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities			
Depreciation/Amortization/Bad debt expense	1,988,822	8,690,269	1,543,283
Difference between deferred outflows and related to pensions and OPEB	(422,319)	(591,540)	(435,956)
Difference between deferred inflows and related to pensions and OPEB	(1,255,897)	(2,367,074)	(1,529,276)
Difference between deferred inflows related to leases	-	(126,775)	-
Difference between net pension/OPEB liability	1,326,342	1,549,082	1,251,605
Change in assets and liabilities			
(Increase) Decrease in Accounts receivables	(498,278)	(1,207,957)	(582,283)
(Increase) Decrease in Other receivables	(1,113)	(1,046)	(807)
(Increase) Decrease in Lease receivables	-	103,111	-
(Increase) Decrease in Taxes receivables	(46,505)	-	(46,518)
(Increase) Decrease in Prepaid expense	-	(122,032)	-
(Increase) Decrease in Due from other funds	(8,179)	-	(8,138)
Increase (Decrease) in Accounts Payable	755,475	929,696	183,085
Increase (Decrease) in Lease Payable	-	-	-
Increase (Decrease) in Gross Receipts Tax Payable	-	(10,990)	-
Increase (Decrease) in Compensated Absences Payable	55,937	23,004	41,180
Increase (Decrease) in Accrued Wages Payable	(93,202)	(161,722)	(101,314)
Increase (Decrease) in Other Liabilities	-	(4,109)	380,684
Increase (Decrease) in Due to Other Governments	7,789	5,411,753	111,043
Increase (Decrease) in Customer Deposits	600	73,738	-
Increase (Decrease) in Unearned Revenue	-	-	-
Increase (Decrease) in Inventory	-	(84,506)	-
Increase (Decrease) in Claims Payable	-	-	-
Increase (Decrease) in Due to Other Funds	(1)	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 4,863,469</b>	<b>\$ 19,352,351</b>	<b>\$ 2,261,510</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>
\$ (3,839,734)	\$ (2,880,360)	\$ (15,409,049)	\$ (10,370,774)	\$ (5,769,712)
1,200,487	1,687,944	4,973,073	20,083,878	1,599,127
(107,771)	(14,633)	(848,288)	(2,420,507)	(573,478)
(286,387)	5,696	(3,147,442)	(8,580,380)	(1,289,133)
319,659	-	(301,581)	(108,697)	-
355,993	71,044	2,333,843	6,887,909	2,013,957
-	-	511,589	(1,776,929)	(445,151)
(226)	(1)	(175,220)	(178,413)	(2,466)
(378,379)	-	504,254	228,986	-
-	-	551,451	458,428	-
-	-	-	(122,032)	-
-	-	-	(16,317)	-
(146,007)	42,261	(467,132)	1,297,378	436,970
-	-	(83,761)	(83,761)	-
-	-	-	(10,990)	-
12,759	2,292	13,509	148,681	39,179
(24,306)	2,523	(335,009)	(713,030)	(103,980)
-	-	-	376,575	-
-	-	86,348	5,616,933	-
(28,762)	-	31,795	77,371	-
-	-	46,641	46,641	-
-	-	-	(84,506)	17,091
-	-	-	-	1,994,904
-	-	-	(1)	-
<b>\$ (2,922,674)</b>	<b>\$ (1,083,234)</b>	<b>\$ (11,714,979)</b>	<b>\$ 10,756,443</b>	<b>\$ (2,082,692)</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, 2023</b>	<b>Custodial Funds</b>
Assets	
Cash, cash equivalents, and investments	\$ 92,325,474
Total assets	\$ 92,325,474
Net position	
Held For	
Santa Fe Solid Waste Management Agency	\$ 18,099,317
Buckman Direct Diversion Project	74,226,157
Total net position	\$ 92,325,474

*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, 2023</b>	<b>Custodial Funds</b>
Additions	
Contributions	
Members	\$ 13,298,598
Total contributions	13,298,598
Investment Earnings	
Net Increase (Decrease) in Fair Value	(2,918)
Interest Income	2,459,504
Total Investment Earnings	2,456,586
Total additions	15,755,184
Deductions	
Distribution to Members	15,674,081
Total deductions	15,674,081
Net increase in fiduciary net position	81,103
Net position - beginning of year	92,244,371
Net position - end of year	\$ 92,325,474

*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 (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.

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.

**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)***

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 LTIP 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, 2023, was \$556,281.

*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, 2023. 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	25
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, 2023, 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, 2023.

**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:

*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.

*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 \$55,327 of fund balance as nonspendable related to inventory in the government fund balance sheet at June 30, 2023.

*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 \$2,900,000 resulting from cash reserves designated for the fiscal year 2024 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 139-141. 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 postclosure 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, May 15, 2024 and determined there were no events that occurred that required disclosure. 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, 2023, the City adopted GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset --an intangible asset --and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement. Additional information about the changes to the financial statements related to the implementation of this Statement can be found in Note 2.

The implementation of GASB Statements Nos. 91, 94, and 99 did not affect the City in a material manner.

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

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The requirements of this Statement will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023. Earlier application is encouraged.

In June 2022, GASB issued 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.

**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 (Continued)***

In June 2022, the GASB issued 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.

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

**Note 2: CHANGE IN ACCOUNTING PRINCIPLE**

In fiscal year 2023, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. In accordance with generally accepted accounting principles, the implementation of this Statement for the City resulted in recording right-to-use subscription assets and subscription liabilities in the amounts of \$5,601,952 and \$76,000 in the governmental and business-type activities, respectively. A restatement to the note disclosures of the governmental activities was required in the amount of \$5,045,649 (included in the total of \$5,601,952) for subscriptions with terms beginning before the implementation date of July 1, 2022. Further details are available in Notes 7 and 8.

**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.

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

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

***Budgetary Information (Continued)***

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.

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.



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

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

***Budgetary Information (Continued)***

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	\$ 1,854,383	\$ (3,986,041)
Community Development Grants Fund	(2,498,310)	(7,528,368)
1.5% Gross Receipts Tax Fund	19,615,027	17,093,418
Debt Service Fund	(9,155,098)	(9,155,098)
Other governmental funds	14,349,621	(23,251,772)
Budgeted proprietary funds		
Waste Water Management Fund	4,334,944	(6,172,014)
Water Management Fund	9,130,077	(6,682,939)
Environmental Services Fund	(807,632)	(2,971,417)
Santa Fe Convention Center Fund	(5,454,960)	(5,618,162)
College of Santa Fe Fund	(3,121,698)	(3,470,228)
Nonmajor proprietary funds	(16,732,514)	(9,639,869)
Internal Service Fund	(9,064,442)	(9,242,228)

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.

**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, 2023.

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.

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

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

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, 2023, \$58,853,241 of the City's bank balance of \$59,806,932 was subject to custodial credit risk. Of this amount, \$53,347,968 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the City's name and \$5,505,273 of the City's deposits was uninsured and uncollateralized at June 30, 2023.

	Citibank	Wells Fargo	Guadalupe Credit Union	Sterling National Bank	Total
Amount of deposits	\$ 203,691	\$ 57,970,091	\$ 268,249	\$ 1,364,901	\$ 59,806,932
FDIC/SIPC coverage	(203,691)	(250,000)	(250,000)	(250,000)	(953,691)
Total uninsured public funds	-	57,720,091	18,249	1,114,901	58,853,241
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the City's name	-	52,233,067	-	1,114,901	53,347,968
Uninsured and uncollateralized	\$ -	\$ 5,487,024	\$ 18,249	\$ -	\$ 5,505,273
Collateral requirement (50%)	\$ -	\$ 28,860,046	\$ 9,125	\$ 557,451	\$ 29,426,622
Pledged securities	-	52,233,067	-	1,137,665	53,370,732
Over (under) collateralized	\$ -	\$ 23,373,021	\$ (9,125)	\$ 580,214	\$ 23,944,110

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.

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

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

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.

*Reconciliation to the Statement of Net Position*

Cash, cash equivalents, and investments per statement of net position	\$ 352,673,221
Restricted cash, cash equivalents and investments per statement of net position	3,157,559
Cash and cash equivalents per statement of fiduciary net position	92,325,474
<hr/>	
Total cash, cash equivalents, and investments	448,156,254
Plus outstanding checks	3,998,744
Less outstanding deposits	(48,384)
Less restricted NMFA debt funds	(331,922)
Less New MexiGROW LGIP	(41,407,623)
Less Principal cash and investments - City	(278,560,903)
Less Principal cash and investments - BDD	(71,994,159)
Less petty cash	(5,075)
<hr/>	
Bank balance of deposits	\$ 59,806,932
<hr/>	

**Investments**

The City's investments at June 30, 2023 include the following:

<b>Investment Type</b>	<b>Weighted Average Maturities</b>	<b>Fair Value</b>	<b>Rating*</b>
	34 day WAM (R) and		
New MexiGROW LGIP	90 day WAM (F)	\$ 41,407,623	AAAm
U.S. Treasury Money Market Funds	>365 Days	257,322	AA+
Fixed Income Securities	0 to 3 years	67,948,700	AA+
Money market funds	<365 days	277,594,827	Not Rated
		<hr/>	
		\$ 387,208,472	
		<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 \$109,356,323. These securities do not have call options.

Maturity rates consist of the following as of June 30, 2023:

<b>Investment Type</b>	<b>Fair Value</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	\$ 41,407,623	\$ -	\$ 41,407,623	\$ -
U.S. Treasury Money Market	257,322	257,322	-	-
Money Market Funds	282,606,362	282,606,362	-	-
Fixed Income Securities	67,948,700	-	9,777,300	58,171,400
<b>Total investments</b>	<b>\$ 392,220,007</b>	<b>\$ 282,863,684</b>	<b>\$ 51,184,923</b>	<b>\$ 58,171,400</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 \$41,407,623 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 \$67,948,700 in investments at June 30, 2023 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, 2023:

	Level 1	Level 2	Level 3	Total
Fixed Income Securities	\$ 67,948,700	\$ -	\$ -	\$ 67,948,700
Total investments	\$ 67,948,700	\$ -	\$ -	\$ 67,948,700

**Note 5: RECEIVABLES**

Receivables as of June 30, 2023 for governmental activities are as follows:

	General Fund	Community Development Grants Fund	1/2% Gross Receipts Tax Fund
Taxes			
Property	\$ 607,694	\$ -	\$ -
Gross receipts	10,848,096	230,810	4,709,734
Gasoline and oil taxes	-	-	-
Other	7,346,493	-	-
Intergovernmental			
Federal operating grants	-	758,495	-
State operating grants	179,603	-	-
State capital grants	-	-	-
Opioid settlement	7,464,151	-	-
Other			
Interest	174,267	-	-
Ambulance receivable	3,534,868	-	-
Allowance - ambulance receivable	(2,863,731)	-	-
Land sales receivable	-	-	-
Miscellaneous	498,477	-	-
Allowance - uncollectable miscellaneous	-	-	-
Leases receivable	-	-	-
<b>Totals</b>	<b>\$ 27,789,918</b>	<b>\$ 989,305</b>	<b>\$ 4,709,734</b>

(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	\$ 167,323	\$ -	\$ 775,017
Gross receipts	-	461,622	16,250,262
Gasoline and oil taxes	-	258,507	258,507
Other	-	7,682,344	15,028,837
Intergovernmental			
Federal operating grants	-	374,744	1,133,239
State operating grants	-	641,169	820,772
State capital grants	-	2,242,186	2,242,186
Opioid settlement	-	-	7,464,151
Other			
Interest	3,894	-	178,161
Ambulance receivable	-	-	3,534,868
Allowance - ambulance receivable	-	-	(2,863,731)
Land sales receivable	-	2,120,149	2,120,149
Miscellaneous	-	2,854,806	3,353,283
Allowance - uncollectable miscellaneous	-	(1,657,042)	(1,657,042)
Leases receivable	-	4,093,000	4,093,000
<b>Totals</b>	<b>\$ 171,217</b>	<b>\$ 19,071,485</b>	<b>\$ 52,731,659</b>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$541,071, license fees in the amount of \$76,833, and land sales in the amount of \$2,170,924 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, 2023 for business-type activities are as follows:

	Waste Water Management	Water Management	Environment-al Services	Santa Fe Convention Center	College of Santa Fe
Taxes					
Gross receipts taxes	\$ 588,716	\$ -	\$ 588,716	\$ -	\$ -
Intergovernmental					
Operating grants	-	-	-	-	-
State capital grants	-	-	-	-	-
Customer					
Charges for services	3,469,207	8,388,590	3,459,690	-	-
Allowance - charges for services	(807,032)	(1,628,627)	(681,809)	-	-
Notes receivable	163,296	-	-	-	-
Other					
Other receivable	1,556	69,397	1,133	302	1
Lease receivable	-	106,012	-	35,199	-
<b>Totals</b>	<b>\$ 3,415,743</b>	<b>\$ 6,935,372</b>	<b>\$ 3,367,730</b>	<b>\$ 35,501</b>	<b>\$ 1</b>

(Continued)

	Nonmajor Enterprise Funds	Total	Internal Service Funds
Taxes			
Gross receipts taxes	\$ -	\$ 1,177,432	\$ -
Intergovernmental			
Federal capital grants	1,229,859	1,229,859	-
State capital grants	37,010	37,010	-
Customer			
Charges for services	1,909,538	17,227,025	-
Allowance - charges for services	(597,766)	(3,715,234)	-
Notes receivable	-	163,296	-
Other			
Other receivable	190,022	262,411	458,928
Lease receivable	348,698	489,909	-
<b>Totals</b>	<b>\$ 3,117,361</b>	<b>\$ 16,871,708</b>	<b>\$ 458,928</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, 2023, the following changes occurred in lease receivables reported on the statement of net position for governmental activities:

	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b>June 30, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2023</b>	<b>One Year</b>
SF Health Club	\$ 51,533	\$ -	\$ 13,788	\$ 37,745	\$ 14,215
Kitchen Angels	2,699,200	-	778,027	1,921,173	113,198
Sanchez Family	31,044	-	2,301	28,743	2,396
Verizon 18-1097	825,182	-	40,918	784,264	42,027
New Food Depot	997,372	-	67,009	930,363	67,130
Shelter	121,217	-	60,524	60,693	60,693
B&GC	357,463	-	70,089	287,374	72,396
Highland	12,321	-	5,568	6,753	5,591
Café Des Artistes	8,818	-	4,630	4,188	4,189
Plaza Café	66,710	-	35,006	31,704	31,703
<b>Total lease receivable</b>	<b>\$ 5,170,860</b>	<b>\$ -</b>	<b>\$ 1,077,860</b>	<b>\$ 4,093,000</b>	<b>\$ 413,538</b>

The future minimum lease payments for governmental activities to be received as of June 30, 2023 is as follows:

<b>Fiscal Year</b>				<b>Total Lease</b>
<b>Ending June 30,</b>	<b>Payment</b>	<b>Interest</b>		<b>Receivable</b>
2024	\$ 413,538	\$ 28,612	\$	470,762
2025	321,568	26,151		373,869
2026	324,440	23,716		371,871
2027	316,248	21,261		54,770
2028	259,780	19,110		278,890
2029-2033	1,429,028	62,916		1,491,944
2034-2038	993,513	9,071		1,002,584
2039-2042	34,885	4		34,889
<b>Totals</b>	<b>\$ 4,093,000</b>	<b>\$ 190,841</b>	<b>\$</b>	<b>4,283,841</b>

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

**Note 5: RECEIVABLES (Continued)**

***Lease Receivables (Continued)***

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, 2023, the following changes occurred in lease receivables reported on the statement of net position for business-type activities:

	Balance			Balance	Due Within
	June 30, 2022	Increases	Decreases	June 30, 2023	One Year
Warehouse	\$ 7,990,564	\$ -	\$ 76,674	\$ 7,913,890	\$ 281,208
Wiskey Golf	27,843	-	2,957	24,886	2,990
Spectra Airport	741,546	-	16,754	724,792	17,605
T-Mobile	637,873	-	42,339	595,534	42,399
Verizon 18-0851	734,853	-	32,412	702,441	33,927
Verizon 18-0852	642,996	-	28,360	614,636	29,686
Verizon 18-1098	436,867	-	21,569	415,298	22,217
Verizon 19-0533	375,751	-	19,061	356,690	19,588
Gate 13	143,252	-	3,218	140,034	3,382
Jet Center	726,651	-	20,960	705,691	21,296
La Bocal Feliz	-	7,907	3,708	4,199	3,957
Hotel Chimayo	-	30,815	5,383	25,432	5,967
Youthworks	-	10,784	5,097	5,687	5,687
<b>Total lease receivable</b>	<b>\$ 12,458,196</b>	<b>\$ 49,506</b>	<b>\$ 278,492</b>	<b>\$ 12,229,210</b>	<b>\$ 489,909</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, 2023 is as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Payment</b>	<b>Interest</b>	<b>Total Lease Receivable</b>
2024	\$ 489,909	\$ 170,274	\$ 660,183
2025	399,567	165,289	564,856
2026	408,451	160,192	568,643
2027	408,655	154,971	563,626
2028	413,937	149,483	563,420
2029-2033	2,245,866	664,392	2,910,258
2034-2038	2,459,804	512,156	2,971,960
2039-2043	1,654,904	364,210	2,019,114
2044-2048	1,734,037	224,704	1,958,741
2049-2053	1,551,348	89,062	1,640,410
2054-2058	462,732	2,588	465,320
<b>Totals</b>	<b>\$ 12,229,210</b>	<b>\$ 2,654,733</b>	<b>\$ 14,883,943</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.

**State of New Mexico**  
**City of Santa Fe**  
**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, 2023:

<b>Fund</b>	<b>Transfers Out</b>	<b>Transfers In</b>
General	\$ 11,627,857	\$ 3,104,936
Community Development Grants	-	3,031,545
1/2% Gross Receipts Tax	19,615,027	679,851
Debt Service	-	9,155,098
Internal Service	293,352	183,205
Gross Receipts Tax	13,004,589	-
Franchise Fee	68,074	-
Economic Development	114,000	1,240,939
Lodger's Tax	9,595,689	30,537
Emergency Services	123,161	62,500
Resource Conservation	-	1,597,421
Impact Fee	1,335,558	-
Transportation Grants	-	58,242
Senior Citizen Grants/Programs	-	2,618,627
Library	-	1,057,857
Quality of Life	-	215,110
Recreation Programs	1,093,304	349,252
Resource Conservation	-	102,442
Facilities CIP	28,000	425,000
Special Projects	-	3,528,000
City Street Projects	1,340,020	1,780,837
City Drainage Projects	-	3,000,000
CIP Community Development	-	35,200
Art for CIP Projects	-	259,230
City Parks and Trails Improvements	-	610,714
Waste Water Management	995,359	863,946
Water Management	2,778,917	1,856,036
Environmental Services	915,969	887,223
Santa Fe Convention Center	144,695	8,652,099
College of Santa Fe	-	3,121,698
Railyard Properties	-	1,302,965
Municipal Recreation Complex	-	892,781
Parking Enterprise	-	37,734
Transit Bus System	16,444	8,824,598
Airport	10,602	29,198
Genoveva Chavez Community Center	-	3,505,796
<b>Total Transfers</b>	<b>\$ 63,100,617</b>	<b>\$ 63,100,617</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, 2023 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**  
**Notes to Financial Statements**

**Note 7: CAPITAL ASSETS**

A summary of governmental activities' capital assets and changes occurring during the year ended June 30, 2023 follows. Land, construction in progress, right-of-way, and art are not subject to depreciation.

<b>Governmental activities</b>	<b>Balance June 30, 2022</b>	<b>June 30, 2022 Restatement*</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2023</b>
Capital assets not being depreciated					
Land	\$ 169,939,946	\$ -	\$ -	\$ -	\$ 169,939,946
Construction in progress	31,595,745	-	42,615,953	-	74,211,698
Right-of-Way	78,281	-	-	-	78,281
Art	885,046	-	-	-	885,046
<b>Total capital assets not being depreciated</b>	<b>202,499,018</b>	<b>-</b>	<b>42,615,953</b>	<b>-</b>	<b>245,114,971</b>
Capital assets being depreciated					
Buildings and Structures	66,300,489	-	615,152	-	66,915,641
Improvements	105,655,254	-	144,254	(144,254)	105,655,254
Equipment and Machinery	21,889,170	-	3,734,311	(1,673,175)	23,950,306
Furniture and Fixtures	603,448	-	588,762	(66,337)	1,125,873
Vehicles	34,567,003	-	11,860,090	(9,961,306)	36,465,787
Data Processing and Software	11,668,107	-	1,258,035	-	12,926,142
Traffic Signals	23,517,339	-	-	-	23,517,339
Streets and bridges	228,553,058	-	27,098	-	228,580,156
Right-to-use asset- equipment	40,212	-	-	-	40,212
Right-to-use asset- subscriptions	-	5,045,649	556,303	-	5,601,952
<b>Total capital assets being depreciated</b>	<b>492,794,080</b>	<b>5,045,649</b>	<b>18,784,005</b>	<b>(11,845,072)</b>	<b>504,778,662</b>
<b>Total capital assets</b>	<b>695,293,098</b>	<b>5,045,649</b>	<b>61,399,958</b>	<b>(11,845,072)</b>	<b>749,893,633</b>
Accumulated depreciation					
Buildings and Structures	27,846,732	-	1,246,262	-	29,092,994
Improvements	79,168,318	-	5,545,554	-	84,713,872
Equipment and Machinery	15,007,841	-	1,605,156	(368,769)	16,244,228
Furniture and Fixtures	417,073	-	54,488	-	471,561
Vehicles	25,471,216	-	2,351,608	(3,382,805)	24,440,019
Data Processing and Software	8,128,903	-	1,064,516	-	9,193,419
Traffic Signals	23,418,133	-	29,529	-	23,447,662
Streets and bridges	184,149,506	-	3,311,702	-	187,461,208
Right-to-use asset- equipment	20,106	-	20,106	-	40,212
Right-to-use asset- subscriptions	-	-	2,061,590	-	2,061,590
<b>Total accumulated depreciation</b>	<b>363,627,828</b>	<b>-</b>	<b>17,290,511</b>	<b>(3,751,574)</b>	<b>377,166,765</b>
<b>Net capital assets</b>	<b>\$ 331,665,270</b>	<b>\$ 5,045,649</b>	<b>\$ 44,109,447</b>	<b>\$ (8,093,498)</b>	<b>\$ 372,726,868</b>

\* The notes required an adjustment of \$5,045,649 due to implementation of GASBS 96. There is no impact on fund balance or net position.

**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, 2023 was charged to governmental activities as follows:

<b>Governmental activities:</b>	
General Government	\$ 1,029,261
Public Safety	2,352,597
Public Works	6,910,754
Community Development	441,112
Culture and Recreation	3,970,007
<hr/>	
Total	<u>\$ 14,703,731</u>

The City has lease liabilities associated with the right-to-use assets as of June 30, 2023, which are further described in Note 8. Amortization of right-to-use equipment assets and right-to-use subscription assets totaled \$20,106 and \$2,061,590, respectively, for the year ended June 30, 2023, charged to governmental activities.

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

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

A summary of business-type activities' capital assets and changes occurring during the year ended June 30, 2023 follows. Land, water rights, construction in progress, and art are not subject to depreciation.

<b>Business-type activities</b>	<b>Balance June 30, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2023</b>
Capital assets not being depreciated				
Land	\$ 38,260,558	\$ -	\$ -	\$ 38,260,558
Water Rights	3,434,979			3,434,979
Construction in Progress	72,367,966	18,700,849	(107,389)	90,961,426
Art	219,971	-	-	219,971
<b>Total capital assets not being depreciated</b>	<b>114,283,474</b>	<b>18,700,849</b>	<b>(107,389)</b>	<b>132,876,934</b>
Capital assets being depreciated				
Buildings and Structures	328,519,680	287,674	-	328,807,354
Improvements	155,310,201	5,675	-	155,315,876
Sewerlines and Utility Systems	166,078,679	-	-	166,078,679
Equipment and Machinery	19,382,163	1,868,776	(509,106)	20,741,833
Furniture and Fixtures	656,843	6,000	-	662,843
Vehicles	41,834,787	2,051,957	(5,392,019)	38,494,725
Data Processing and Software	2,476,673	-	-	2,476,673
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>714,594,977</b>	<b>4,295,817</b>	<b>(5,901,125)</b>	<b>712,989,669</b>
<b>Total capital assets</b>	<b>828,878,451</b>	<b>22,996,666</b>	<b>(6,008,514)</b>	<b>845,866,603</b>
Accumulated depreciation				
Buildings and Structures	113,183,507	8,134,473	-	121,317,980
Improvements	144,546,248	2,820,273	-	147,366,521
Sewerlines and Utility Systems	108,061,869	4,039,050	-	112,100,919
Equipment and Machinery	16,500,847	2,320,548	(509,106)	18,312,289
Furniture and Fixtures	627,675	11,234	-	638,909
Vehicles	32,350,508	2,479,786	(5,391,910)	29,438,384
Data Processing and Software	2,416,036	52,402	(110)	2,468,328
Right-to-use asset- equipment	80,094	80,095	-	160,189
Right-to-use asset- subscriptions	-	37,868	-	37,868
<b>Total accumulated depreciation</b>	<b>417,766,784</b>	<b>19,975,729</b>	<b>(5,901,126)</b>	<b>431,841,387</b>
<b>Net capital assets</b>	<b>\$ 411,111,667</b>	<b>\$ 3,020,937</b>	<b>\$ (107,388)</b>	<b>\$ 414,025,216</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, 2023 was charged to business-type activities as follows:

<b>Business-type activities:</b>	
Santa Fe Convention Center	\$ 1,200,487
Parking Operations	980,687
Environmental Services	1,543,283
Waste Water Management	1,988,822
Water Management	8,690,269
Municipal Recreation Center	265,752
Genoveva Chavez Community Center	849,691
Airport	1,247,268
Transit Operations	1,195,002
Railyard	326,524
College of Santa Fe	1,687,944
<hr/>	
Total	<u>\$ 19,975,729</u>

The City has lease liabilities associated with the right-to-use assets as of June 30, 2023, which are further described in Note 8. Amortization of right-to-use assets totaled \$80,095 for the year ended June 30, 2023, 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, 2023, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2022	June 30, 2022 *restatement	Additions	Deletions	Balance June 30, 2023	Due Within One Year
General obligation						
bonds	\$ 16,590,000	\$ -	\$ -	\$ 1,340,000	\$ 15,250,000	\$ 1,390,000
GRT senior lien						
revenue bonds	36,135,000	-	-	2,300,000	33,835,000	2,602,500
GRT subordinate lien						
revenue bonds	26,593,000	-	-	3,753,700	22,839,300	3,942,250
NMFA notes payable	357,966	-	-	117,620	240,346	119,301
Bank notes payable	17,141,422	-	-	733,511	16,407,911	772,955
CWSRF loan payable	822,490	-	-	822,490	-	-
Bond premiums	7,073,205	-	-	1,242,970	5,830,235	1,172,200
Compensated absences	4,844,044	-	1,623,888	1,292,523	5,175,409	1,486,583
Lease liabilities	20,134	-	-	20,134	-	-
Subscription liabilities	-	5,045,649	556,303	2,340,638	3,261,314	2,151,170
Claims payable	8,422,437	-	25,331,164	23,336,260	10,417,341	10,417,341
<b>Total long-term liabilities</b>	<b>\$ 117,999,698</b>	<b>\$ 5,045,649</b>	<b>\$ 27,511,355</b>	<b>\$ 37,299,846</b>	<b>\$ 113,256,856</b>	<b>\$ 24,054,300</b>

\* The notes required an adjustment of \$5,045,649 due to implementation of GASBS 96. There is no impact on fund balance or net position.

***General Obligation Bonds***

At June 30, 2023, 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, 2023
Series 2013 GO Bond	7/23/2013	8/1/2032	4.00%	\$ 12,000,000	\$ 7,190,000
Series 2014 GO Bond	8/4/2014	8/1/2034	4.00%	5,800,000	4,025,000
Series 2019 GO Bond	11/14/2019	8/1/2029	5.00%	5,445,000	4,035,000
<b>Total general obligation bonds</b>					<b>\$ 15,250,000</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, 2023, including interest payments are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
<b>Ending June 30,</b>			
2024	\$ 1,390,000	\$ 589,988	\$ 1,979,988
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
2029-2033	6,970,000	777,095	7,747,095
2034-2035	805,000	27,175	832,175
<b>Totals</b>	<b>\$ 15,250,000</b>	<b>\$ 3,174,162</b>	<b>\$ 18,424,162</b>

*GRT Senior Lien Revenue Bonds*

At June 30, 2023, 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:

<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, 2023</b>
Series 2014	9/30/2014	6/1/2029	5.00%	\$ 15,460,000	\$ 12,595,000
Series 2016 B	7/13/2016	6/1/2035	5.00%	15,330,000	3,395,000
Series 2018A	12/11/2018	6/1/2038	5.00%	20,000,000	17,845,000
<b>Total GRT senior lien revenue bonds</b>					<b>\$ 33,835,000</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 senior lien revenue bonds as of June 30, 2023, 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>	
2024	\$ 2,602,500	\$ 1,654,685	\$ 4,257,185	
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	
2029-2033	10,033,500	3,213,710	13,247,210	
2034-2038	8,109,000	1,191,770	9,300,770	
<b>Totals</b>	<b>\$ 33,835,000</b>	<b>\$ 11,302,855</b>	<b>\$ 45,137,855</b>	

***GRT Subordinate Lien Revenue Bonds***

At June 30, 2023, 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:

<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, 2023</b>
Series 2013B	7/23/2013	8/1/2032	4.00%	\$ 13,780,000	\$ 10,085,000
Series 2016D	7/13/2016	6/1/2028	5.00%	2,020,000	1,125,000
Series 2018	2/27/2018	6/1/2028	5.00%	10,290,000	5,795,000
Series 2021	12/14/2021	12/13/2026	5.00%	9,894,000	5,834,300
<b>Total GRT subordinate lien revenue bonds</b>					<b>\$ 22,839,300</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, 2023, including interest payments are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
<b>Ending June 30,</b>			
2024	\$ 3,942,250	\$ 972,005	\$ 4,914,005
2025	3,826,000	774,893	4,600,893
2026	3,987,000	592,365	4,579,365
2027	2,150,000	408,125	2,558,125
2028	2,240,000	316,975	2,556,975
2029-2033	3,130,000	1,031,650	4,161,650
2033-2036	3,564,050	374,850	3,938,900
<b>Totals</b>	<b>\$ 22,839,300</b>	<b>\$ 4,470,863</b>	<b>\$ 27,310,163</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, 2023</b>
NMFA Fire PPRF -3458	11/1/2017	5/1/2025	1.630%	\$ 917,815	\$ 240,346
<b>Total NMFA notes payable</b>					<b>\$ 240,346</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, 2023, including interest payments, are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2024	\$ 119,301	\$ 3,860	\$ 123,161
2025	121,045	2,058	123,023
<b>Totals</b>	<b>\$ 240,346</b>	<b>\$ 5,918</b>	<b>\$ 246,264</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, 2023</b>
Solar Energy Project	3/29/2021	12/1/2039	2.150%	\$ 17,244,894	\$ 16,407,911
<b>Total bank notes payable</b>					<b>\$ 16,407,911</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, 2023, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 772,955	\$ 347,826	\$ 1,120,781
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	285,042	1,307,859
2029-2033	5,195,499	1,118,009	6,313,508
2034-2038	4,883,291	589,290	5,472,581
2039-2040	1,755,770	93,150	1,848,920
<b>Totals</b>	<b>\$ 16,407,911</b>	<b>\$ 3,367,036</b>	<b>\$ 19,774,947</b>

***Subscription Liabilities***

The City has 8 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, 2023:

Description	Date of Issue	Due Date	Interest Rate	Liability	Right-to-use Asset, Net Amortization
Image Trend Inc	10/15/2021	6/1/2025	7.00%	\$ 179,051	\$ 176,683
Tyler Tech Munis	3/22/2017	6/1/2025	7.00%	1,215,168	1,209,649
Tyler Technologies	3/22/2017	6/1/2025	7.00%	588,039	536,687
Adobe CDW Agreement	5/26/2022	6/1/2025	7.00%	236,079	237,080
MO 365 Contract #3202628	11/14/2018	12/1/2024	7.00%	956,287	1,143,543
Ardham Current 20-0000-21-00014	9/21/2021	4/1/2026	7.00%	86,690	86,432
ESRI, Inc.	7/1/2022	12/1/2023	7.00%	-	17,681
Immix Technology Inc	12/4/2018	12/4/2021	5.95%	-	132,607
<b>Total</b>				<b>\$ 3,261,314</b>	<b>\$ 3,540,362</b>

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

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

***Governmental Activities (Continued)***

The following is a schedule of minimum future payments from subscription agreements as of June 30, 2023:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payments</b>
2024	\$ 2,151,170	\$ 14,444	\$ 2,165,614
2025	1,091,982	2,777	1,094,759
2026	18,162	23	18,185
<b>Totals</b>	<b>\$ 3,261,314</b>	<b>\$ 17,244</b>	<b>\$ 3,278,558</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, 2023, compensated absences increased \$331,365 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, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
GRT senior lien					
revenue bonds	\$ 2,615,000	\$ -	\$ 1,160,000	\$ 1,455,000	\$ 97,500
GRT subordinate lien					
revenue bonds	6,532,000	-	1,152,000	5,380,000	1,187,750
Revenue bonds	25,700,000	-	1,480,000	24,220,000	1,558,515
Utility revenue bonds	44,715,000	-	1,600,000	43,115,000	1,685,000
NMFA notes payable	31,327,677	-	2,688,349	28,639,328	2,625,739
Bond premiums	8,730,502	-	970,459	7,760,043	825,916
Compensated absences	1,780,853	780,082	631,401	1,929,534	736,586
Lease liabilities	268,747	-	83,761	184,986	83,761
Subscription liabilities	-	76,000	38,000	38,000	38,000
<b>Total long-term liabilities</b>	<b>\$ 121,669,779</b>	<b>\$ 856,082</b>	<b>\$ 9,803,970</b>	<b>\$ 112,721,891</b>	<b>\$ 8,838,767</b>

***GRT Senior Lien Revenue Bonds***

At June 30, 2023, 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, 2023
Series 2016A	7/13/2016	6/1/2023	5.00%	\$ 6,700,000	\$ -
Series 2016B	7/13/2016	6/1/2023	5.00%	6,570,000	1,455,000
<b>Total GRT senior lien revenue bonds</b>					<b>\$ 1,455,000</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 senior lien revenue bonds as of June 30, 2023, including interest payments, are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
<b>Ending June 30,</b>			
2024	\$ 97,500	\$ 56,865	\$ 154,365
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
2029-2033	631,500	135,840	767,340
2034-2038	291,000	17,580	308,580
<b>Totals</b>	<b>\$ 1,455,000</b>	<b>\$ 393,045</b>	<b>\$ 1,848,045</b>

***GRT Subordinate Lien Revenue Bonds***

At June 30, 2023, 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:

<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, 2023</b>
Series 2010B	11/10/2010	6/1/2022	4.00-5.00%	\$ 5,800,000	\$ -
Series 2012B	3/1/2012	6/1/2022	3.00-5.00%	1,428,000	-
Series 2016C MRC	7/13/2016	6/30/2024	5.00%	5,782,800	97,600
Series 2016C WasteWater	7/13/2016	6/30/2024	5.00%	3,697,200	62,400
Series 2017	6/2/2017	6/1/2033	4.00%	4,530,000	3,040,000
Series 2021	12/14/2021	12/13/2026	5.00%	13,590,000	2,180,000
<b>Total GRT subordinate lien revenue bonds</b>					<b>\$ 5,380,000</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, 2023, 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>	
2024	\$ 1,187,750	\$ 193,873	\$ 1,400,293	
2025	959,000	142,408	1,113,134	
2026	1,003,000	99,607	1,130,432	
2027	290,000	73,486	363,486	
2028	295,000	64,902	359,902	
2029-2033	1,645,250	173,801	1,819,051	
<b>Totals</b>	<b>\$ 5,380,000</b>	<b>\$ 748,076</b>	<b>\$ 6,128,076</b>	

***Revenue Bonds***

At June 30, 2023, 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:

<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, 2023</b>
Series 2015 Convention					
Center	4/8/2015	6/15/2035	4.00%	\$ 21,287,700	\$ 15,258,600
Series 2015 Parking	4/8/2015	6/15/2035	4.00%	12,502,300	8,961,400
<b>Total revenue bonds</b>					<b>\$ 24,220,000</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 revenue bonds as of June 30, 2023, including interest payments, are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2024	\$ 1,558,515	\$ 1,009,714	\$ 2,568,229
2025	1,635,000	930,409	2,565,409
2026	1,720,000	847,024	2,567,024
2027	1,810,000	759,303	2,569,303
2028	1,900,000	666,994	2,566,994
2029-2033	10,725,000	2,187,034	12,912,034
2034-2035	4,871,485	351,000	5,222,485
<b>Totals</b>	<b>\$ 24,220,000</b>	<b>\$ 6,751,478</b>	<b>\$ 30,971,478</b>

***Utility Revenue Bonds***

At June 30, 2023, 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, 2023</b>
Series 2016	6/14/2016	6/1/2039	5.00%	\$ 36,665,000	\$ 30,145,000
Series 2019	3/20/2019	6/1/2038	5.00%	13,550,000	12,970,000
<b>Total utility revenue bonds</b>					<b>\$ 43,115,000</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 revenue bonds as of June 30, 2023, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 1,685,000	\$ 1,782,450	\$ 3,467,450
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
2029-2033	13,825,000	5,835,500	19,660,500
2034-2038	12,290,000	2,780,200	15,070,200
2039	7,810,000	312,400	8,122,400
<b>Totals</b>	<b>\$ 43,115,000</b>	<b>\$ 17,064,550</b>	<b>\$ 60,179,550</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, 2023
NMFA 2014 Fleet	12/1/2014	6/1/2026	2.59%	\$ 3,500,000	\$ 968,724
NMFA DW #2 Buckman	12/1/2008	6/1/2038	1.75%	15,150,000	5,137,419
NMFA DW #4	12/1/2013	6/1/2035	1.75%	2,525,000	1,499,281
NMFA Refunding 2019	7/12/2019	12/1/2030	3.60%	23,705,000	20,030,000
NMFA 2019 Parking	8/1/2019	6/1/2027	1.90-2.15%	1,575,000	810,000
NMFA Environmental	6/1/2017	5/1/2024	1.53%	1,300,582	193,904
<b>Total NMFA loans</b>					<b>\$ 28,639,328</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, 2023, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 2,625,739	\$ 868,336	\$ 3,494,075
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
2029-2033	7,656,665	2,417,859	10,074,524
2034-2038	7,370,190	1,165,836	8,536,026
2039	1,559,191	63,373	1,622,564
<b>Totals</b>	<b>\$ 28,639,328</b>	<b>\$ 7,403,002</b>	<b>\$ 36,042,330</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, 2023, compensated absences increased \$148,681 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, \$378,146 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, 2023:

	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%	\$ 184,986	\$ 175,762
<b>Total</b>					<b>\$ 184,986</b>	<b>\$ 175,762</b>

Lease debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 83,761	\$ 558	\$ 84,319
2025	84,443	221	84,664
2026	16,782	3	16,785
<b>Totals</b>	<b>\$ 184,986</b>	<b>\$ 782</b>	<b>\$ 185,768</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.

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

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

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

Subscription liabilities, right-of-use assets, and terms are as follows at June 30, 2023:

Description	Date of Issue	Due Date	Interest Rate	Liability	Right-to-use Asset, Net Amortization
Remix Tech	7/1/2022	6/1/2024	7.00%	\$ 38,000	\$ 37,867
<b>Total</b>				<b>\$ 38,000</b>	<b>\$ 37,867</b>

The following is a schedule of minimum future payments from subscription agreements as of June 30, 2023:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 38,000	\$ -	\$ 38,000
<b>Totals</b>	<b>\$ 38,000</b>	<b>\$ -</b>	<b>\$ 38,000</b>

**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, 2023, 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.



**State of New Mexico**  
**City of Santa Fe**  
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**Note 9: RISK MANAGEMENT (Continued)**

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.

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>2021-2022</b>				
Risk Management Fund	\$ 2,088,080	\$ 2,168,131	\$ 1,260,545	\$ 2,995,666
Santa Fe Health/Dental Fund	1,437,000	18,801,401	18,708,401	1,530,000
Workers' Compensation Fund	3,773,757	1,160,958	1,037,944	3,896,771
Unemployment Claims Fund	-	-	-	-
<b>Total</b>	<b>\$ 7,298,837</b>	<b>\$ 22,130,490</b>	<b>\$ 21,006,890</b>	<b>\$ 8,422,437</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>

**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>	
1/2% Gross Receipts Tax	\$ (5,554,017)
Total major funds	\$ (5,554,017)
<b>Nonmajor Funds</b>	
Transportation Grants	\$ (32,230)
NEA Grants	(28,984)
Total nonmajor funds	(61,214)
Total governmental funds	\$ (5,615,231)
<b>Internal Service Funds</b>	
Risk Management	\$ (6,623,532)
Workers' Compensation	(918,671)
Services to Other Departments	(14,542,539)
Total internal service funds	\$ (22,084,742)

**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 following funds exceeded budget at the fund level for the year ended June 30, 2023:

<b>Non Major Funds</b>	
Capital Equipment Reserve	\$ 68,896
Fire Environmental Services	58
Public Facilities Purchase	12,968
<hr/>	
Total governmental funds	\$ 81,922
<hr/>	
<b>Proprietary Funds</b>	
<b>Major Funds</b>	
Midtown Santa Fe College	\$ 455,403
<hr/>	
Total proprietary funds	\$ 455,403
<hr/>	
<b>Internal Service Funds</b>	
<b>Non Major Funds</b>	
Risk Management	\$ 731,078
Workers' Compensation	239,811
<hr/>	
Total internal service funds	\$ 970,889
<hr/>	

- 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, 2023:

	<b>Budgeted Deficit - Cash Appropriations</b>	<b>Beginning Year Cash &amp; AR Available</b>	<b>Cash Appropriation in Excess of Available</b>
<hr/>			
<b>Governmental Funds</b>			
<b>Non Major Funds</b>			
Facilities CIP	\$ (6,536,734)	\$ 5,915,197	\$ (621,537)
City Street Projects	(10,216,339)	6,899,754	(3,316,585)
Bond Acquisition	(5,440,026)	4,727,786	(712,240)
<b>Proprietary Funds</b>			
<b>Non Major Funds</b>			
Transbus	(7,163,840)	3,894,645	(3,269,195)

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

**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)***

**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 \$10,136,294

***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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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, 2022. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2022. 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, 2023, the City reported a liability of \$82,172,010 for its proportionate share of the net pension liability. At June 30, 2022, the City's proportion was 4.6328 percent, which increased from its proportion measured as of June 31, 2021, by 0.0210 percent.

For the year ended June 30, 2023, the City recognized PERA Fund Municipal General Division pension expense of \$5,944,258. At June 30, 2023, 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	\$ 329,410	\$ 1,998,389
Net difference between projected and actual earnings on pension plan investments	8,132,210	-
Changes of assumption	-	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	235,884	2,846,193
City's contributions subsequent to the measurement date	5,422,738	-
<b>Total</b>	<b>\$ 14,120,242</b>	<b>\$ 4,844,582</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)***

\$5,422,738 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2022 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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>	
2023	\$ 181,475
2024	(8,575)
2025	(2,740,934)
2026	6,420,956
Thereafter	-
<b>Total</b>	<b>\$ 3,852,922</b>

**For PERA Fund Municipal Police Division**, at June 30, 2023, the City reported a liability of \$30,394,382 for its proportionate share of the net pension liability. At June 30, 2022, the City's proportion was 3.7820 percent, which increased from its proportion measured as of June 30, 2021, by 0.0429 percent.

For the year ended June 30, 2023, the City recognized PERA Fund Municipal Police Division pension expense of \$2,468,856. At June 30, 2023, 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	\$ 791,721	\$ -
Net difference between projected and actual earnings on pension plan investments	2,655,798	-
Changes of assumption	-	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	204,904	637,376
City's contributions subsequent to the measurement date	2,168,646	-
<b>Total</b>	<b>\$ 5,821,069</b>	<b>\$ 637,376</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)***

\$2,168,646 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2022 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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>	
2023	\$ 964,551
2024	643,642
2025	(705,384)
2026	2,112,238
Thereafter	-
<b>Total</b>	<b>\$ 3,015,047</b>

**For PERA Fund Municipal Fire Division**, at June 30, 2023, the City reported a liability of \$48,951,798 for its proportionate share of the net pension liability. At June 30, 2022, the City's proportion was 6.4457 percent, which increased from its proportion measured as of June 30, 2021, by 0.3103 percent.

For the year ended June 30, 2023, the City recognized PERA Fund Municipal Fire Division pension expense of \$4,175,417. At June 30, 2023, 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	\$ 304,478	\$ 34,557
Net difference between projected and actual earnings on pension plan investments	2,182,664	-
Changes of assumptions	-	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,533,578	837,663
City's contributions subsequent to the measurement date	2,544,910	-
<b>Total</b>	<b>\$ 6,565,630</b>	<b>\$ 872,220</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)***

\$2,544,910 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date June 30, 2022 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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>	
2023	\$ 894,711
2024	797,882
2025	(257,021)
2026	1,712,928
Thereafter	-
Total	\$ 3,148,500

***Actuarial assumptions.*** The total pension liability in the June 30, 2021 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2021
Actuarial cost method	Entry Age Normal
Amortization period	25 years
Asset valuation method	Solved for based on statutory rates
<b>Actuarial Assumptions:</b>	
Investment rate of return, net	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3.00%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.50%
Mortality assumptions	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  
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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, 2021. 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, 2021 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	35.50%	6.35%
Risk Reduction & Mitigation	19.50%	1.90%
Credit Oriented Fixed Income	15.00%	4.45%
Real Assets to include Real Estate Equity	20.00%	5.10%
Multi-Risk Allocation	10.00%	6.65%
<b>Total</b>	<b>100.00%</b>	

**Discount rate.** A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2022. 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.

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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)***

***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	\$ 124,343,859	\$ 82,172,010	\$ 47,138,348

<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	\$ 45,600,754	\$ 30,394,382	\$ 17,952,702

<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	\$ 64,478,986	\$ 48,951,798	\$ 36,201,815

***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, 2023 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, 2022, the Fund’s measurement date, the following employees were covered by the benefit terms:

<b>Plan Membership</b>	
Current retirees and surviving spouses	53,092
Inactive and eligible for deferred benefit	11,759
Current active members	92,520
	157,371
<hr style="border-top: 3px double black;"/>	
<b>Active membership</b>	
State general	18,691
State police and corrections	1,919
Municipal general	20,357
Municipal police	1,573
Municipal Fire	756
Educational Retirement Board	49,224
	92,520
	92,520

**State of New Mexico  
City of Santa Fe  
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 \$1,600,216 for the year ended June 30, 2023.

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

At June 30, 2023, the City reported a liability of \$31,145,376 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022. The City’s proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2022. At June 30, 2022, the City’s proportion was 1.3473 percent.

For the year ended June 30, 2023, the City recognized OPEB benefit of (\$8,444,346). At June 30, 2023 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	\$ 6,645,685	\$ 23,087,717
Net difference between projected and actual earnings on pension plan investments	429,466	-
Changes in proportion and differences between contributions and proportionate share of contributions	503,478	7,972,142
Difference between expected and actual experience	518,039	4,616,406
City's contributions subsequent to the measurement date	1,600,216	-
<b>Total</b>	<b>\$ 9,696,884</b>	<b>\$ 35,676,265</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 \$1,600,216 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, 2023. 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	\$	(8,366,904)
2024		(6,893,592)
2025		(4,606,074)
2026		(5,239,505)
2027		(2,473,522)
Total	\$	(27,579,597)

***Actuarial assumptions.*** The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions:

Actuarial valuation date	June 30, 2021
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	3.25% 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 7.5% graded down to 4.5% over 12 years for Medicare medical plan costs
Mortality	ERB members: 2020 GRS Southwest Region Teacher Mortality Table, set back one year (and scaled at 95% for males). Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020. PERA members: Headcount-eighted RP-2014 Blue Collar Annuitant Mortality, set forward one year for females, projected generationally with Scale MP-2017

**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:

Asset Class	Long-Term
U.S. core fixed income	0.4%
U.S. equity - large cap	6.6%
Non U.S. - emerging markets	9.2%
Non U.S. - developed equities	7.3%
Private equity	10.6%
Credit and structured finance	3.1%
Real estate	3.7%
Absolute return	2.5%
U.S. equity - small/mid cap	6.6%

**Discount Rate.** The discount rate used to measure the Fund’s total OPEB liability is 5.42% as of June 30, 2022. 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 2059. 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, 5.42% 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 (4.42%)	Current Discount Rate (5.42%)	1% Increase (6.42%)
\$ 38,758,504	\$ 31,145,376	\$ 25,075,437

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
\$ 24,955,555	\$ 31,145,376	\$ 36,420,725

***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, 2022.

***Payable Changes in the Net OPEB Liability.*** At June 30, 2023, 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 \$110,688,906 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 139-141.

**Note 16: FUND BALANCE**

Fund balances on the modified accrual basis were classified as follows as of June 30, 2023:

	General Fund	Community Development Grants Fund	1/2% Gross Receipts Tax Fund	Debt Service Fund
Fund balances				
Nonspendable				
Inventories	\$ 55,327		\$ -	\$ -
Restricted for				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	9,432,845	-	-
Culture and recreation	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	1,771,699
Assigned to				
General government	2,900,000	-	-	-
Unassigned (deficit)	73,495,615	-	(5,554,017)	-
<b>Total fund balances</b>	<b>\$ 76,450,942</b>	<b>\$ 9,432,845</b>	<b>\$ (5,554,017)</b>	<b>\$ 1,771,699</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	\$ -	\$ 55,327
Restricted for		
General government	44,748,766	44,748,766
Public safety	13,223,674	13,223,674
Public works	12,436,183	12,436,183
Community development	1,289,281	10,722,126
Culture and recreation	2,680,594	2,680,594
Capital projects	25,686,856	25,686,856
Debt service	-	1,771,699
Assigned to		
General government	-	2,900,000
Unassigned (deficit)	(61,214)	67,880,384
<b>Total fund balances</b>	<b>\$ 100,004,140</b>	<b>\$ 182,105,609</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.

<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>	Ridgetop Road, LLC Industrial Revenue Bond
<b>Name of agency affected by abatement agreement (Affected Agency)</b>	County of Santa Fe, New Mexico
<b>Agency number of Affected Agency</b>	5026
<b>Agency type of Affected Agency</b>	County Government
<b>Recipient(s) of tax abatement</b>	Ridgetop Road, LLC
<b>Tax abatement program (name and brief description)</b>	Ridgetop Road, LLC is an IRB Bond issued in 2007
<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 Constitution, Article III, Sections 1 and 2 and the enabling legislation, NMSA 1978, sec7-37-7.
<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>	\$198,407
<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 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>	5026
<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>	\$197,987
<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.

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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	2023	2022	2021	2020
Measurement Date	2022	2021	2020	2019
City of Santa Fe's proportion of the net pension liability				
Municipal General	4.63%	4.61%	4.98%	5.04%
Municipal Police	3.78%	3.74%	3.91%	4.01%
Municipal Fire	6.45%	6.14%	6.38%	6.44%
City of Santa Fe's proportionate share of the net pension liability				
Municipal General	\$ 82,172,010	\$ 51,959,877	\$ 100,650,298	\$ 87,167,781
Municipal Police	30,394,382	19,337,294	33,544,013	29,585,909
Municipal Fire	48,951,798	37,243,200	48,260,429	44,258,054
	<u>\$ 161,518,190</u>	<u>\$ 108,540,371</u>	<u>\$ 182,454,740</u>	<u>\$ 161,011,744</u>
City of Santa Fe's covered payroll				
Municipal General	\$ 45,070,560	\$ 44,932,990	\$ 43,261,864	\$ 45,942,073
Municipal Police	9,212,824	8,662,615	8,256,683	8,909,101
Municipal Fire	10,096,995	8,408,680	7,980,522	8,569,312
	<u>\$ 64,380,379</u>	<u>\$ 62,004,285</u>	<u>\$ 59,499,069</u>	<u>\$ 63,420,486</u>
City of Santa Fe's proportionate share of the net pension liability as a percentage of its covered payroll				
Municipal General	182.32%	115.64%	232.65%	189.73%
Municipal Police	329.91%	223.23%	406.26%	332.09%
Municipal Fire	484.82%	442.91%	604.73%	516.47%
Plan fiduciary net position as a percentage of the total pension liability				
Municipal General	69.35%	77.25%	66.36%	70.52%
Municipal Police	69.35%	77.25%	66.36%	70.52%
Municipal Fire	69.35%	77.25%	70.30%	70.52%

\* 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,**

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>

5.04%	5.26%	5.28%	5.46%	5.00%
4.51%	4.73%	4.49%	4.71%	4.00%
6.64%	6.76%	7.07%	6.89%	7.17%

\$ 80,279,724	\$ 72,228,756	\$ 84,294,324	\$ 55,705,113	\$ 42,647,687
30,741,220	26,273,806	33,098,305	22,640,627	15,588,474
42,523,848	38,675,254	47,146,743	35,553,318	29,910,003

\$ 153,544,792	\$ 137,177,816	\$ 164,539,372	\$ 113,899,058	\$ 88,146,164
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\$ 46,293,968	\$ 46,164,487	\$ 45,175,990	\$ 45,329,706	\$ 44,378,612
7,518,896	9,746,730	8,900,280	9,228,017	9,209,308
8,442,319	7,848,810	7,848,810	7,848,819	7,981,492

\$ 62,255,183	\$ 63,760,027	\$ 61,925,080	\$ 62,406,542	\$ 61,569,412
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173.41%	156.46%	186.59%	122.89%	96.10%
408.85%	269.57%	371.88%	245.35%	169.27%
503.70%	492.75%	600.69%	452.98%	0.00%

71.13%	73.74%	69.18%	76.99%	81.29%
71.13%	73.74%	69.18%	76.99%	81.29%
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>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually required contribution				
Municipal General	\$ 5,422,738	\$ 4,417,264	\$ 4,403,433	\$ 4,131,508
Municipal Police	2,168,646	1,764,256	1,663,222	1,560,513
Municipal Fire	2,544,910	2,211,188	1,841,501	1,727,783
	<u>\$ 10,136,294</u>	<u>\$ 8,392,708</u>	<u>\$ 7,908,156</u>	<u>\$ 7,419,804</u>
Contributions in relation to the contractually required contribution				
Municipal General	\$ (5,422,738)	\$ (4,417,264)	\$ (4,403,433)	\$ (4,131,508)
Municipal Police	(2,168,646)	(1,764,256)	(1,663,222)	(1,560,513)
Municipal Fire	(2,544,910)	(2,211,188)	(1,841,501)	(1,727,783)
	<u>\$ (10,136,294)</u>	<u>\$ (8,392,708)</u>	<u>\$ (7,908,156)</u>	<u>\$ (7,419,804)</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	\$ 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>
Contributions as a percentage of covered payroll				
Municipal General	10.30%	9.80%	9.80%	9.80%
Municipal Police	22.40%	19.15%	19.15%	19.15%
Municipal Fire	19.65%	21.90%	21.90%	21.90%

\* 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.*

	2019	2018	2017	2016	2015
\$	4,387,468	\$ 4,421,074	\$ 4,408,708	\$ 4,167,065	\$ 8,958,197
	1,683,820	1,799,071	1,842,132	1,682,505	2,975,446
	1,855,256	1,827,762	1,773,462	1,682,505	2,975,446
<b>\$</b>	<b>7,926,544</b>	<b>\$ 8,047,907</b>	<b>\$ 8,024,302</b>	<b>\$ 7,532,075</b>	<b>\$ 14,909,089</b>
\$	(4,387,468)	\$ (4,421,074)	\$ (4,408,708)	\$ (4,167,065)	\$ (8,958,197)
	(1,683,820)	(1,799,071)	(1,842,132)	(1,682,505)	(2,975,446)
	(1,855,256)	(1,827,762)	(1,773,462)	(1,682,505)	(2,975,446)
<b>\$</b>	<b>(7,926,544)</b>	<b>\$ (8,047,907)</b>	<b>\$ (8,024,302)</b>	<b>\$ (7,532,075)</b>	<b>\$ (14,909,089)</b>
\$	-	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-
	-	-	-	-	-
<b>\$</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
\$	45,942,073	\$ 46,293,968	\$ 46,164,487	\$ 45,175,990	\$ 45,329,706
	8,909,101	7,518,896	9,746,730	8,900,280	9,228,017
	8,569,312	8,442,319	7,848,810	7,848,810	7,848,819
<b>\$</b>	<b>63,420,486</b>	<b>\$ 62,255,183</b>	<b>\$ 63,760,027</b>	<b>\$ 61,925,080</b>	<b>\$ 62,406,542</b>
	9.55%	9.55%	9.55%	9.55%	9.55%
	18.90%	18.90%	18.90%	18.90%	18.90%
	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>2023 2022</b>	<b>2022 2021</b>	<b>2021 2020</b>
City of Santa Fe's proportion of the net OPEB liability	1.34735%	1.36373%	1.44720%
City of Santa Fe's proportionate share of the net OPEB liability	\$ 31,145,376	\$ 44,871,488	\$ 60,766,670
City of Santa Fe's covered-employee payroll	63,772,953	62,040,365	59,640,075
City of Santa Fe's proportionate share of the net OPEB liability as a percentage of its covered payroll	48.84%	72.33%	101.89%
Plan fiduciary net position as a percentage of the total OPEB liability	33.33%	25.39%	16.50%

\* 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>June 30,</b>		
<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>2019</b>	<b>2018</b>	<b>2017</b>
1.57395%	1.60610%	1.54336%
\$ 49,562,956	\$ 69,838,711	\$ 69,732,971
61,730,000	64,392,990	61,850,783
80.29%	108.18%	108.79%
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>2022</b>	<b>2021</b>
Contractually required contributions	\$ 1,600,216	\$ 1,352,060	\$ 1,328,945
Contributions in relation to the contractually required contribution	(1,600,216)	(1,352,060)	(1,328,945)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
City of Santa Fe's covered payroll	\$ 74,563,014	\$ 63,772,953	\$ 62,040,365
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>2020</b>	<b>2019</b>	<b>2018</b>
\$ 1,277,038	\$ 1,321,022	\$ 1,375,677
<u>(1,277,038)</u>	<u>(1,321,022)</u>	<u>(1,375,677)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 59,640,075	\$ 61,730,000	\$ 64,392,990
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** – 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.

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

**SPECIAL REVENUE FUNDS (Continued)**

***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.

**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, 2023</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	\$ 137,069	\$ 10,918,099	\$ -
Receivables			
Taxes	-	3,532,300	14,531
Intergovernmental	-	-	-
Other, net	586,064	-	-
Leases	-	-	-
Due from other funds	-	15,323,465	-
<b>Total assets</b>	<b>\$ 723,133</b>	<b>\$ 29,773,864</b>	<b>\$ 14,531</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 91,768	\$ -
Pooled Cash - Cash Overdrawn	-	-	9,246
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>102,393</b>	<b>9,246</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - leases	-	-	-
Unavailable revenue - other	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Spendable			
Restricted	723,133	29,671,471	5,285
Unassigned (deficit)	-	-	-
<b>Total fund balances</b>	<b>723,133</b>	<b>29,671,471</b>	<b>5,285</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 723,133</b>	<b>\$ 29,773,864</b>	<b>\$ 14,531</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>
\$ 912,536	\$ 10,240,392	\$ 708,751	\$ 125,218	\$ 3,049,491	\$ 1,614,372
115,406	3,546,797	-	-	-	-
-	-	-	-	395,662	124,208
48,211	12,121	-	-	12,060	-
4,093,000	-	-	-	-	-
30,346	-	-	-	-	-
<b>\$ 5,199,499</b>	<b>\$ 13,799,310</b>	<b>\$ 708,751</b>	<b>\$ 125,218</b>	<b>\$ 3,457,213</b>	<b>\$ 1,738,580</b>
\$ 742,738	\$ 363,325	\$ -	\$ -	\$ 199,969	\$ -
-	-	-	-	-	-
3,097	41,284	-	-	1,441	-
-	84,690	-	-	-	-
19,285	5,500	-	-	-	-
2,000	-	-	-	-	-
9,806	-	-	-	-	-
776,926	494,799	-	-	201,410	-
4,036,183	-	-	-	-	-
50,775	-	-	-	-	-
4,086,958	-	-	-	-	-
335,615	13,304,511	708,751	125,218	3,255,803	1,738,580
-	-	-	-	-	-
335,615	13,304,511	708,751	125,218	3,255,803	1,738,580
<b>\$ 5,199,499</b>	<b>\$ 13,799,310</b>	<b>\$ 708,751</b>	<b>\$ 125,218</b>	<b>\$ 3,457,213</b>	<b>\$ 1,738,580</b>

(Continued)

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

<b>June 30, 2023</b>	<b>Special Revenue</b>		
	<b>Law Enforcement</b>	<b>Resource Conservation</b>	<b>City Drainage</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 7,116,976	\$ 513,499	\$ 6,363,963
Receivables			
Taxes	588,716	-	-
Intergovernmental	24,447	-	217,358
Other, net	243,146	-	181,323
Leases	-	-	-
Due from other funds	549,957	-	-
<b>Total assets</b>	<b>\$ 8,523,242</b>	<b>\$ 513,499</b>	<b>\$ 6,762,644</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 263,435	\$ 119,600	\$ 182,187
Pooled Cash - Cash Overdrawn	-	-	-
Accrued payroll	-	-	2,524
Unearned Revenue	120,834	-	-
Deposits held in trust for others	-	-	-
Other Current Liabilities	34,900	-	-
Due to other Funds	-	-	-
<b>Total liabilities</b>	<b>419,169</b>	<b>119,600</b>	<b>184,711</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - leases	-	-	-
Unavailable revenue - other	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Spendable			
Restricted	8,104,073	393,899	6,577,933
Unassigned (deficit)	-	-	-
<b>Total fund balances</b>	<b>8,104,073</b>	<b>393,899</b>	<b>6,577,933</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 8,523,242</b>	<b>\$ 513,499</b>	<b>\$ 6,762,644</b>



**Special Revenue**

<b>Impact Fee</b>	<b>Transportation Grants</b>	<b>Senior Citizen Grants/Programs</b>	<b>Historic Preservation</b>	<b>Library</b>
\$ 5,477,654	\$ -	\$ 1,151,883	\$ 288,192	\$ 1,080,135
-	-	-	-	-
-	135,551	118,687	-	-
-	3,569	111,195	-	-
-	-	-	-	-
-	-	-	-	-
<b>\$ 5,477,654</b>	<b>\$ 139,120</b>	<b>\$ 1,381,765</b>	<b>\$ 288,192</b>	<b>\$ 1,080,135</b>
\$ -	\$ 12,694	\$ 27,030	\$ -	\$ 19,741
-	149,957	-	-	-
1,303	8,699	65,454	-	14,268
-	-	-	-	-
-	-	-	-	-
12,000	-	-	-	-
-	-	-	-	-
<b>13,303</b>	<b>171,350</b>	<b>92,484</b>	<b>-</b>	<b>34,009</b>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,464,351	-	1,289,281	288,192	1,046,126
-	(32,230)	-	-	-
<b>5,464,351</b>	<b>(32,230)</b>	<b>1,289,281</b>	<b>288,192</b>	<b>1,046,126</b>
<b>\$ 5,477,654</b>	<b>\$ 139,120</b>	<b>\$ 1,381,765</b>	<b>\$ 288,192</b>	<b>\$ 1,080,135</b>

(Continued)

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

<b>June 30, 2023</b>	<b>Special Revenue</b>		
	<b>NEA Grants</b>	<b>Plaza Use</b>	<b>Public Facilities</b>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 159,786	\$ 120,826
Receivables			
Taxes	-	-	-
Intergovernmental	-	-	-
Other, net	-	75	-
Leases	-	-	-
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 159,861</b>	<b>\$ 120,826</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 8,364	\$ 11,952
Pooled Cash - Cash Overdrawn	28,984	-	-
Accrued payroll	-	-	-
Unearned Revenue	-	-	-
Deposits held in trust for others	-	-	-
Other Current Liabilities	-	-	-
Due to other Funds	-	-	-
<b>Total liabilities</b>	<b>28,984</b>	<b>8,364</b>	<b>11,952</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - leases	-	-	-
Unavailable revenue - other	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Spendable			
Restricted	-	151,497	108,874
Unassigned (deficit)	(28,984)	-	-
<b>Total fund balances</b>	<b>(28,984)</b>	<b>151,497</b>	<b>108,874</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ -</b>	<b>\$ 159,861</b>	<b>\$ 120,826</b>

Special Revenue				Capital Projects		
Quality of Life	Recreation Programs	Land Development	Special Recreation Leagues	CIP Reallocation	Resource Conservation	
\$ 529,762	\$ 1,310,761	\$ 699,244	\$ 103,437	\$ 471,403	\$ 1,868,833	
-	346,216	-	-	-	-	
-	-	-	-	-	-	
-	-	2,120,149	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 529,762</u>	<u>\$ 1,656,977</u>	<u>\$ 2,819,393</u>	<u>\$ 103,437</u>	<u>\$ 471,403</u>	<u>\$ 1,868,833</u>	
\$ 24,642	\$ 288,245	\$ 11,164	\$ -	\$ -	\$ 245,707	
-	-	-	-	-	-	
-	9,155	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	1,010,309	560,000	-	-	-	
<u>24,642</u>	<u>1,307,709</u>	<u>571,164</u>	<u>-</u>	<u>-</u>	<u>245,707</u>	
-	-	-	-	-	-	
-	-	2,120,149	-	-	-	
-	-	2,120,149	-	-	-	
505,120	349,268	128,080	103,437	471,403	1,623,126	
-	-	-	-	-	-	
<u>505,120</u>	<u>349,268</u>	<u>128,080</u>	<u>103,437</u>	<u>471,403</u>	<u>1,623,126</u>	
<u>\$ 529,762</u>	<u>\$ 1,656,977</u>	<u>\$ 2,819,393</u>	<u>\$ 103,437</u>	<u>\$ 471,403</u>	<u>\$ 1,868,833</u>	

(Continued)

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

	<b>Capital Projects</b>		
<b>June 30, 2023</b>	<b>Facilities CIP</b>	<b>Special Projects</b>	<b>Bond Acquisition</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 3,024,234	\$ 3,137,687	\$ 2,604,328
Receivables			
Taxes	-	-	-
Intergovernmental	18,849	-	73,350
Other, net	-	-	-
Leases	-	-	-
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 3,043,083</b>	<b>\$ 3,137,687</b>	<b>\$ 2,677,678</b>
<b>Liabilities, deferred inflows of resources, and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 838,311	\$ 465,772	\$ 677,324
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>838,311</b>	<b>468,248</b>	<b>677,324</b>
<b>Deferred inflows of resources</b>			
Unavailable revenue - leases	-	-	-
Unavailable revenue - other	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Spendable			
Restricted	2,204,772	2,669,439	2,000,354
Unassigned (deficit)	-	-	-
<b>Total fund balances</b>	<b>2,204,772</b>	<b>2,669,439</b>	<b>2,000,354</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 3,043,083</b>	<b>\$ 3,137,687</b>	<b>\$ 2,677,678</b>

**Capital Projects**

<b>City Drainage 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>
\$ 3,663,511	\$ 5,730,977	\$ 992,077	\$ 4,680,888	\$ 282,571	\$ 13,305
-	258,507	-	-	-	-
-	2,138,991	-	10,996	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>\$ 3,663,511</b>	<b>\$ 8,128,475</b>	<b>\$ 992,077</b>	<b>\$ 4,691,884</b>	<b>\$ 282,571</b>	<b>\$ 13,305</b>
\$ -	\$ 785,743	\$ 51,740	\$ 198,860	\$ -	\$ -
-	-	-	-	-	-
-	17,718	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	803,461	51,740	198,860	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,663,511	7,325,014	940,337	4,493,024	282,571	13,305
-	-	-	-	-	-
<b>3,663,511</b>	<b>7,325,014</b>	<b>940,337</b>	<b>4,493,024</b>	<b>282,571</b>	<b>13,305</b>
<b>\$ 3,663,511</b>	<b>\$ 8,128,475</b>	<b>\$ 992,077</b>	<b>\$ 4,691,884</b>	<b>\$ 282,571</b>	<b>\$ 13,305</b>

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

<b>June 30, 2023</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 79,091,860
Receivables	
Taxes	8,402,473
Intergovernmental	3,258,099
Other, net	3,317,913
Leases	4,093,000
Due from other funds	15,903,768
Total assets	\$ 114,067,113
<b>Liabilities, deferred inflows of resources, and fund balances</b>	
<b>Liabilities</b>	
Accounts payable	\$ 5,630,311
Pooled Cash - Cash Overdrawn	188,187
Accrued payroll	167,419
Unearned Revenue	205,524
Deposits held in trust for others	24,785
Other Current Liabilities	59,525
Due to other Funds	1,580,115
Total liabilities	7,855,866
<b>Deferred inflows of resources</b>	
Unavailable revenue - leases	4,036,183
Unavailable revenue - other	2,170,924
Total deferred inflows of resources	6,207,107
<b>Fund balances</b>	
Spendable	
Restricted	100,065,354
Unassigned (deficit)	(61,214)
Total fund balances	100,004,140
Total liabilities, deferred inflows of resources, and fund balances	\$ 114,067,113

**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, 2023	Special Revenue		
	Capital Equipment Reserve	Gross Receipts Tax	Franchise Fee
Revenues			
Taxes			
Gross Receipts Taxes	\$ -	\$ 19,514,698	\$ -
Lodgers' Taxes	-	-	-
Other	-	-	60,656
Intergovernmental			
Federal operating	-	-	-
State operating	-	-	-
State capital	-	-	-
Lease revenue	-	-	-
Charges for services	-	-	-
Investment income (loss)	11	136,898	256
Other revenues	-	-	-
Total revenues	11	19,651,596	60,912
Expenditures			
Current			
General government	68,896	560,115	-
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	-
Culture and recreation	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	68,896	560,115	-
Excess (deficiency) of revenues over expenditures	(68,885)	19,091,481	60,912
Other financing sources (uses)			
Proceeds from sale of assets	440,119	-	-
Transfers in	-	-	-
Transfers (out)	-	(13,004,589)	(68,074)
Total other financing sources (uses)	440,119	(13,004,589)	(68,074)
Net change in fund balances	371,234	6,086,892	(7,162)
Fund balances - beginning of year	351,899	23,584,579	12,447
Fund balances - end of year	\$ 723,133	\$ 29,671,471	\$ 5,285



**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>
\$ 637,591	\$ -	\$ -	\$ -	\$ -	\$ -
-	19,948,448	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,689,327	197,293
400,000	-	-	-	1,317,281	337,284
-	-	-	-	-	-
279,198	-	-	-	-	-
-	-	-	28,760	-	-
57,905	234,612	1,603	656	484,609	34,563
21,871	257,396	665	-	222	-
<b>1,396,565</b>	<b>20,440,456</b>	<b>2,268</b>	<b>29,416</b>	<b>3,491,439</b>	<b>569,140</b>
2,539,059	6,439,105	2	-	-	-
-	-	-	1,114	470,874	58
-	-	-	-	-	-
-	-	-	-	-	-
-	9,997	-	31,372	1,965,753	-
20,134	-	-	-	-	-
26	-	-	-	-	-
<b>2,559,219</b>	<b>6,449,102</b>	<b>2</b>	<b>32,486</b>	<b>2,436,627</b>	<b>58</b>
(1,162,654)	13,991,354	2,266	(3,070)	1,054,812	569,082
-	-	-	-	13,400	-
1,240,939	30,537	-	-	62,500	-
(114,000)	(9,595,689)	-	-	(123,161)	-
<b>1,126,939</b>	<b>(9,565,152)</b>	<b>-</b>	<b>-</b>	<b>(47,261)</b>	<b>-</b>
(35,715)	4,426,202	2,266	(3,070)	1,007,551	569,082
371,330	8,878,309	706,485	128,288	2,248,252	1,169,498
<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>

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**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, 2023	Special Revenue		
	Law Enforcement	Resource Conservation	City Drainage
Revenues			
Taxes			
Gross Receipts Taxes	\$ 3,252,450	\$ -	\$ -
Lodgers' Taxes	-	-	-
Other	-	-	-
Intergovernmental			
Federal operating	-	-	-
State operating	506,655	-	658,828
State capital	-	-	-
Lease revenue	-	-	-
Charges for services	602,921	-	2,928,052
Investment income (loss)	214,116	13,509	200,805
Other revenues	74,169	-	134,318
Total revenues	4,650,311	13,509	3,922,003
Expenditures			
Current			
General government	-	-	-
Public safety	3,295,290	-	125,003
Public works	-	119,609	539,514
Community development	-	-	-
Culture and recreation	-	-	-
Capital outlay	1,361,355	-	1,245,427
Debt service			
Principal	-	733,649	-
Interest and other charges	-	363,773	-
Total expenditures	4,656,645	1,217,031	1,909,944
Excess (deficiency) of revenues over expenditures	(6,334)	(1,203,522)	2,012,059
Other financing sources (uses)			
Proceeds from sale of assets	-	-	-
Transfers in	-	1,597,421	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	1,597,421	-
Net change in fund balances	(6,334)	393,899	2,012,059
Fund balances - beginning of year	8,110,407	-	4,565,874
Fund balances - end of year	\$ 8,104,073	\$ 393,899	\$ 6,577,933

**Special Revenue**

<b>Impact Fee</b>	<b>Transportation Grants</b>	<b>Senior Citizen Grants/Programs</b>	<b>Historic Preservation</b>	<b>Library</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	45,230	430,823	-	-
-	316,282	822,609	19,076	127,286
-	-	-	-	-
-	-	-	-	-
1,842,497	-	80,247	10	1,542
8,462	462	76,957	1,927	30,579
-	-	169	-	-
<b>1,850,959</b>	<b>361,974</b>	<b>1,410,805</b>	<b>21,013</b>	<b>159,407</b>
-	-	-	-	-
-	-	-	-	-
50,050	512,571	-	-	-
-	-	4,398,904	-	-
-	-	-	19,525	1,151,540
-	-	112,408	-	27,295
-	-	-	-	-
-	-	-	-	-
<b>50,050</b>	<b>512,571</b>	<b>4,511,312</b>	<b>19,525</b>	<b>1,178,835</b>
<b>1,800,909</b>	<b>(150,597)</b>	<b>(3,100,507)</b>	<b>1,488</b>	<b>(1,019,428)</b>
-	-	123,550	-	-
-	58,242	2,618,627	-	1,057,857
<b>(1,335,558)</b>	-	-	-	-
<b>(1,335,558)</b>	<b>58,242</b>	<b>2,742,177</b>	<b>-</b>	<b>1,057,857</b>
465,351	(92,355)	(358,330)	1,488	38,429
4,999,000	60,125	1,647,611	286,704	1,007,697
<b>\$ 5,464,351</b>	<b>\$ (32,230)</b>	<b>\$ 1,289,281</b>	<b>\$ 288,192</b>	<b>\$ 1,046,126</b>

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

	Special Revenue		
For the year ended June 30, 2023	NEA Grants	Plaza Use	Public Facilities
Revenues			
Taxes			
Gross Receipts Taxes	\$ -	\$ -	\$ -
Lodgers' Taxes	-	-	-
Other	-	-	-
Intergovernmental			
Federal operating	-	-	-
State operating	-	-	119,259
State capital	-	-	-
Lease revenue	-	-	-
Charges for services	-	31,260	-
Investment income (loss)	487	-	1,681
Other revenues	-	-	-
Total revenues	487	31,260	120,940
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	-
Culture and recreation	-	51,166	136,236
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Total expenditures	-	51,166	136,236
Excess (deficiency) of revenues over expenditures	487	(19,906)	(15,296)
Other financing sources (uses)			
Proceeds from sale of assets	-	-	-
Transfers in	-	-	-
Transfers (out)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	487	(19,906)	(15,296)
Fund balances - beginning of year	(29,471)	171,403	124,170
Fund balances - end of year	\$ (28,984)	\$ 151,497	\$ 108,874

Special Revenue				Capital Projects	
Quality of Life	Recreation Programs	Land Development	Special Recreation Leagues	CIP Reallocation	Resource Conservation
\$ -	\$ 1,912,770	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,090	-	-
914	-	497	183	1,567	258,991
-	15,000	-	-	-	10,426
914	1,927,770	497	6,273	1,567	269,417
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
167,147	1,849,137	-	5,393	-	-
-	90,615	144,897	-	-	3,964,641
-	-	-	-	-	-
-	-	-	-	-	-
167,147	1,939,752	144,897	5,393	-	3,964,641
(166,233)	(11,982)	(144,400)	880	1,567	(3,695,224)
-	-	-	-	-	-
215,110	349,252	-	-	-	102,442
-	(1,093,304)	-	-	-	-
215,110	(744,052)	-	-	-	102,442
48,877	(756,034)	(144,400)	880	1,567	(3,592,782)
456,243	1,105,302	272,480	102,557	469,836	5,215,908
\$ 505,120	\$ 349,268	\$ 128,080	\$ 103,437	\$ 471,403	\$ 1,623,126

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**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, 2023</b>	<b>Capital Projects</b>		
	<b>Facilities CIP</b>	<b>Special Projects</b>	<b>Bond Acquisition</b>
<b>Revenues</b>			
Taxes			
Gross Receipts Taxes	\$ -	\$ -	\$ -
Lodgers' Taxes	-	-	-
Other	-	-	-
Intergovernmental			
Federal operating	-	-	-
State operating	-	-	-
State capital	4,942,497	132,400	-
Lease revenue	-	-	-
Charges for services	-	-	-
Investment income (loss)	269,568	86,059	203,869
Other revenues	-	-	-
<b>Total revenues</b>	<b>5,212,065</b>	<b>218,459</b>	<b>203,869</b>
<b>Expenditures</b>			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Community development	-	-	-
Culture and recreation	-	-	-
Capital outlay	8,674,614	2,918,842	2,906,588
Debt service			
Principal	-	835,092	-
Interest and other charges	-	15,142	-
<b>Total expenditures</b>	<b>8,674,614</b>	<b>3,769,076</b>	<b>2,906,588</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,462,549)</b>	<b>(3,550,617)</b>	<b>(2,702,719)</b>
<b>Other financing sources (uses)</b>			
Proceeds from sale of assets	-	-	-
Transfers in	425,000	3,528,000	-
Transfers (out)	(28,000)	-	-
<b>Total other financing sources (uses)</b>	<b>397,000</b>	<b>3,528,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(3,065,549)</b>	<b>(22,617)</b>	<b>(2,702,719)</b>
<b>Fund balances - beginning of year</b>	<b>5,270,321</b>	<b>2,692,056</b>	<b>4,703,073</b>
<b>Fund balances - end of year</b>	<b>\$ 2,204,772</b>	<b>\$ 2,669,439</b>	<b>\$ 2,000,354</b>

**Capital Projects**

<b>City Drainage 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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	1,561,558	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,449,406	784,727	81,049	23,401	-
-	-	-	-	-	-
-	55,601	-	-	-	-
81,050	43,785	22,568	85,296	8,105	-
-	110	-	100,000	-	-
81,050	6,110,460	807,295	266,345	31,506	-
-	-	-	-	-	-
-	-	-	-	-	-
54	-	-	-	-	-
-	-	9	-	-	-
-	-	-	-	765	-
-	5,927,108	765,205	1,129,376	59,482	-
-	-	-	-	-	-
-	-	-	-	-	-
54	5,927,108	765,214	1,129,376	60,247	-
80,996	183,352	42,081	(863,031)	(28,741)	-
-	-	-	-	-	-
3,000,000	1,780,837	35,200	610,714	259,230	-
-	(1,340,020)	-	-	-	-
3,000,000	440,817	35,200	610,714	259,230	-
3,080,996	624,169	77,281	(252,317)	230,489	-
582,515	6,700,845	863,056	4,745,341	52,082	13,305
\$ 3,663,511	\$ 7,325,014	\$ 940,337	\$ 4,493,024	\$ 282,571	\$ 13,305

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**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, 2023</b>	<b>Total Nonmajor Governmental Funds</b>
Revenues	
Taxes	
Gross Receipts Taxes	\$ 25,317,509
Lodgers' Taxes	19,948,448
Other	1,622,214
Intergovernmental	
Federal operating	2,362,673
State operating	4,624,560
State capital	10,413,480
Lease revenue	279,198
Charges for services	5,576,980
Investment income (loss)	2,562,550
Other revenues	614,346
Total revenues	73,321,958
Expenditures	
Current	
General government	9,607,177
Public safety	3,892,339
Public works	1,221,798
Community development	4,398,913
Culture and recreation	3,380,909
Capital outlay	31,334,975
Debt service	
Principal	1,588,875
Interest and other charges	378,941
Total expenditures	55,803,927
Excess (deficiency) of revenues over expenditures	17,518,031
Other financing sources (uses)	
Proceeds from sale of assets	577,069
Transfers in	16,971,908
Transfers (out)	(26,702,395)
Total other financing sources (uses)	(9,153,418)
Net change in fund balances	8,364,613
Fund balances - beginning of year	91,639,527
Fund balances - end of year	\$ 100,004,140

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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, 2023</b>	<b>Municipal Recreation Complex</b>	<b>Parking Enterprise</b>	<b>Railyard Properties</b>
<b>Assets</b>			
Current assets			
Cash, investments, and cash equivalents	\$ 986,835	\$ 941,555	\$ 2,323,028
Receivables, net of allowance			
Grants	-	-	-
Accounts, net of allowances	13,025	1,298,747	-
Other	140,594	-	128
Lease receivable	-	22,217	281,208
<b>Total current assets</b>	<b>1,140,454</b>	<b>2,262,519</b>	<b>2,604,364</b>
Noncurrent assets			
Lease receivables, net of current portion	-	393,081	7,558,516
Capital assets not being depreciated	2,983,875	10,483	21,196,429
Capital assets being depreciated	18,821,741	38,824,801	39,611,322
Right-to-use lease assets - leases	335,951	-	-
Right-to-use lease assets - subscriptions			
Less amortization - leases	(160,189)	-	-
Less amortization - subscriptions			
Less accumulated depreciation	(16,969,892)	(11,605,421)	(33,150,049)
<b>Total noncurrent assets</b>	<b>5,011,486</b>	<b>27,622,944</b>	<b>35,216,218</b>
<b>Total assets</b>	<b>6,151,940</b>	<b>29,885,463</b>	<b>37,820,582</b>
Deferred outflows of resources			
Deferred outflows - pension	110,707	246,194	22,004
Deferred outflows - OPEB	44,019	97,588	8,720
<b>Total deferred outflows of resources</b>	<b>154,726</b>	<b>343,782</b>	<b>30,724</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 6,306,666</b>	<b>\$ 30,229,245</b>	<b>\$ 37,851,306</b>

Airport	Transit Bus System	GCCC	Total
\$ 11,988,790	\$ 3,096,661	\$ 674,183	\$ 20,011,052
1,175,807	91,062	-	1,266,869
-	-	-	1,311,772
9,900	39,400	-	190,022
45,273	-	-	348,698
13,219,770	3,227,123	674,183	23,128,413
1,611,623	-	-	9,563,220
30,259,632	2,899,038	7,030,276	64,379,733
35,044,302	25,361,548	27,484,418	185,148,132
-	-	-	335,951
-	75,735	-	75,735
-	-	-	(160,189)
-	(37,868)	-	(37,868)
(28,401,036)	(18,297,347)	(13,994,897)	(122,418,642)
38,514,521	10,001,106	20,519,797	136,886,072
51,734,291	13,228,229	21,193,980	160,014,485
356,649	861,743	521,356	2,118,653
113,378	341,528	208,581	813,814
470,027	1,203,271	729,937	2,932,467
\$ 52,204,318	\$ 14,431,500	\$ 21,923,917	\$ 162,946,952

(Continued)

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

<b>For Year Ended June 30, 2023</b>	<b>Municipal Recreation Complex</b>	<b>Parking Enterprise</b>	<b>Railyard Properties</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 116,969	\$ 73,478	\$ 222,448
Accrued payroll	10,657	30,068	2,470
Accrued interest payable	407	32,488	17,090
Unearned revenue	-	-	-
Other liabilities	49,553	8,081	-
Due to other governments	-	15	-
Deposits held in trust for others	-	109,523	-
Bonds payable, current, net of amortized discounts	186,388	640,691	1,121,531
Notes payable, current	-	195,000	-
Lease liabilities, current	83,761	-	-
Subscription liabilities, current	-	-	-
Compensated absence, current	7,153	22,217	4,470
<b>Total current liabilities</b>	<b>454,888</b>	<b>1,111,561</b>	<b>1,368,009</b>
Noncurrent liabilities			
Bonds payable, net of unamortized discounts	-	9,105,210	4,362,387
Notes payable, net of current portion	-	615,000	-
Lease liabilities, net of current portion	101,225	-	-
Compensated absences, net of current portion	11,585	35,983	7,241
Net pension liability	674,584	1,500,166	134,082
Net OPEB liability	141,386	313,445	28,008
<b>Total noncurrent liabilities</b>	<b>928,780</b>	<b>11,569,804</b>	<b>4,531,718</b>
<b>Total liabilities</b>	<b>1,383,668</b>	<b>12,681,365</b>	<b>5,899,727</b>
Deferred inflows of resources			
Unamortized gain on refunding of bonds	9,463	-	241,321
Deferred inflows - leases	-	410,452	7,782,830
Deferred inflows - pension	26,538	59,017	5,275
Deferred inflows - OPEB	161,955	359,043	32,082
<b>Total deferred inflows of resources</b>	<b>197,956</b>	<b>828,512</b>	<b>8,061,508</b>
Net position			
Net investment in capital assets	4,630,649	16,673,962	21,932,463
Unrestricted (deficit)	94,393	45,406	1,957,608
<b>Total net position</b>	<b>4,725,042</b>	<b>16,719,368</b>	<b>23,890,071</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 6,306,666</b>	<b>\$ 30,229,245</b>	<b>\$ 37,851,306</b>



Airport	Transit Bus System	GCCC	Total
\$ 1,096,130	\$ 171,470	\$ 91,352	\$ 1,771,847
30,236	98,366	101,686	273,483
-	2,323	-	52,308
264,770	-	-	264,770
304	-	-	57,938
86,333	-	-	86,348
-	14	18,471	128,008
-	-	-	1,948,610
-	314,010	-	509,010
-	-	-	83,761
-	38,000	-	38,000
27,490	123,983	53,401	238,714
1,505,263	748,166	264,910	5,452,797
-	-	-	13,467,597
-	654,714	-	1,269,714
-	-	-	101,225
44,525	200,810	86,492	386,636
2,173,216	5,250,971	3,176,848	12,909,867
364,158	1,096,955	669,939	2,613,891
2,581,899	7,203,450	3,933,279	30,748,930
4,087,162	7,951,616	4,198,189	36,201,727
-	-	-	250,784
1,921,309	-	-	10,114,591
85,495	206,575	124,978	507,878
417,134	1,256,535	767,399	2,994,148
2,423,938	1,463,110	892,377	13,867,401
36,902,898	8,994,382	20,519,797	109,654,151
8,790,320	(3,977,608)	(3,686,446)	3,223,673
45,693,218	5,016,774	16,833,351	112,877,824
\$ 52,204,318	\$ 14,431,500	\$ 21,923,917	\$ 162,946,952

**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, 2023</b>	<b>Municipal Recreation Complex</b>	<b>Parking Enterprise</b>	<b>Railyard Properties</b>
Operating revenues			
Charges for services	\$ 886,497	\$ 3,918,404	\$ -
Facilities rentals	30,574	-	-
Other revenues	37,855	138,181	1,104,811
<b>Total operating revenues</b>	<b>954,926</b>	<b>4,056,585</b>	<b>1,104,811</b>
Operating expenses			
Salaries, wages, and fringe benefits	793,999	1,139,419	120,474
Contractual services and utilities	702,557	817,255	477,138
Repairs and maintenance	69,234	84,719	248,554
Supplies	175,310	57,103	1,655
Small equipment	25,582	8,156	890
Depreciation expense	265,752	980,687	326,524
Insurance	-	-	-
Other	259,653	880,132	415,328
<b>Total operating expenses</b>	<b>2,292,087</b>	<b>3,967,471</b>	<b>1,590,563</b>
<b>Operating income (loss)</b>	<b>(1,337,161)</b>	<b>89,114</b>	<b>(485,752)</b>
Non-operating revenues (expenses)			
Investment income (loss)	104,190	8,735	251,431
Gain (loss) on sale of capital assets	-	-	-
Lease revenue	-	26,415	245,170
Interest expense	-	(171,815)	(82,719)
Other nonoperating revenue (expense)	-	533,465	-
<b>Total non-operating revenues (expenses)</b>	<b>104,190</b>	<b>396,800</b>	<b>413,882</b>
<b>Income (loss) before contributions and transfers</b>	<b>(1,232,971)</b>	<b>485,914</b>	<b>(71,870)</b>
Capital grants			
Federal	-	-	-
State	-	-	-
Transfers in	892,781	37,734	1,302,965
Transfers (out)	-	-	-
<b>Change in net position</b>	<b>(340,190)</b>	<b>523,648</b>	<b>1,231,095</b>
<b>Net position - beginning of year</b>	<b>5,065,232</b>	<b>16,195,720</b>	<b>22,658,976</b>
<b>Net position - end of year</b>	<b>\$ 4,725,042</b>	<b>\$ 16,719,368</b>	<b>\$ 23,890,071</b>

Airport	Transit Bus System	GCCC	Total
\$ 2,051,119	\$ 229,088	\$ 1,088,828	\$ 8,173,936
189,828	-	297,244	517,646
6,422	111,965	130	1,399,364
2,247,369	341,053	1,386,202	10,090,946
1,393,147	4,172,331	3,088,256	10,707,626
518,696	95,380	856,956	3,467,982
88,148	395,308	147,075	1,033,038
121,925	272,198	263,319	891,510
183,408	-	23,219	241,255
1,247,268	1,195,002	849,691	4,864,924
16,375	-	-	16,375
406,917	1,908,954	406,301	4,277,285
3,975,884	8,039,173	5,634,817	25,499,995
(1,728,515)	(7,698,120)	(4,248,615)	(15,409,049)
763,791	19,371	55,169	1,202,687
11,000	43,720	-	54,720
(220,523)	-	-	51,062
-	(35,219)	-	(289,753)
-	-	-	533,465
554,268	27,872	55,169	1,552,181
(1,174,247)	(7,670,248)	(4,193,446)	(13,856,868)
1,237,894	-	-	1,237,894
7,885,115	-	-	7,885,115
29,198	8,824,598	3,505,796	14,593,072
(10,602)	(16,444)	-	(27,046)
7,967,358	1,137,906	(687,650)	9,832,167
37,725,860	3,878,868	17,521,001	103,045,657
\$ 45,693,218	\$ 5,016,774	\$ 16,833,351	\$ 112,877,824

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

<b>For Year Ended June 30, 2023</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	\$ 1,665,847	\$ 3,848,280	\$ 1,210,457
Cash payments to suppliers for goods and services	(1,741,804)	(1,876,792)	(1,184,510)
Cash payments to employees for services	(57,118)	(1,425,190)	(95,966)
Net cash provided (used) by operating activities	(133,075)	546,298	(70,019)
<b>Cash flows from noncapital financing activities</b>			
Intergovernmental taxes and grants	-	533,465	-
Transfers in from other funds	892,781	37,734	1,302,965
Transfers out to other funds	-	-	-
Cash received from leases	-	26,415	245,170
Net cash provided (used) by noncapital financing activities	892,781	597,614	1,548,135
<b>Cash flows from capital and related financing activities</b>			
Acquisition and construction of capital assets	(93,133)	(21,168)	(700,512)
Proceeds from sale of capital assets	-	(10,483)	-
Proceeds from capital grants	-	-	-
Proceeds from software subscriptions	-	-	-
Principal paid on revenue bond maturities and notes payable	(186,387)	(807,941)	(1,158,220)
Interest paid on revenue bonds and notes payable	(11,356)	(157,714)	(86,311)
Net cash provided (used) by capital and related financing activities	(290,876)	(997,306)	(1,945,043)
<b>Cash flows from investing activities</b>			
Interest and dividends on investments	104,190	8,735	251,431
Net cash provided (used) by investing activities	104,190	8,735	251,431
<b>Net increase (decrease) in cash, cash equivalents, and investments</b>	573,020	155,341	(215,496)
Cash, cash equivalents, and investments - beginning of year	413,815	786,214	2,538,524
Cash, cash equivalents, and investments - end of year	\$ 986,835	\$ 941,555	\$ 2,323,028

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

Airport	Transit Bus System	GCCC	Total
\$ 2,695,756	\$ 59,003	\$ 1,284,177	\$ 10,763,520
(2,598,562)	(2,495,271)	(2,907,904)	(12,804,843)
(336,996)	(5,676,948)	(2,081,438)	(9,673,656)
(239,802)	(8,113,216)	(3,705,165)	(11,714,979)
-	-	-	533,465
29,198	8,824,598	3,505,796	14,593,072
(10,602)	(16,444)	-	(27,046)
(220,523)	-	-	51,062
(201,927)	8,808,154	3,505,796	15,150,553
(11,807,227)	(1,161,015)	29,820	(13,753,235)
(97,150)	43,720	(29,820)	(93,733)
9,123,009	-	-	9,123,009
-	38,000	-	38,000
-	(306,082)	-	(2,458,630)
-	(35,854)	-	(291,235)
(2,781,368)	(1,421,231)	-	(7,435,824)
763,791	19,371	55,169	1,202,687
763,791	19,371	55,169	1,202,687
(2,459,306)	(706,922)	(144,200)	(2,797,563)
14,448,096	3,803,583	818,383	22,808,615
\$ 11,988,790	\$ 3,096,661	\$ 674,183	\$ 20,011,052

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, 2023</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)	\$ (1,337,161)	\$ 89,114	\$ (485,752)
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities			
Depreciation/Amortization/Bad debt expense	265,752	980,687	326,524
Difference between deferred outflows and related to pensions and OPEB	(81,822)	(85,651)	(8,983)
Difference between deferred inflows and related to pensions and OPEB	(43,555)	(403,702)	(31,855)
Difference between deferred inflows related to leases	-	(26,415)	(245,170)
Difference between net pension/OPEB liability	358,621	193,180	25,617
Change in assets and liabilities			
(Increase) Decrease in Accounts receivables	656,720	(145,131)	-
(Increase) Decrease in Other receivables	(125,837)	-	(83)
(Increase) Decrease in Lease receivables	-	21,569	188,276
(Increase) Decrease in Taxes receivables	215,117	-	-
Increase (Decrease) in Accounts Payable	48,682	(58,328)	162,623
Increase (Decrease) in Lease Payable	(83,761)	-	-
Increase (Decrease) in Compensated Absences Payable	4,062	(14,876)	1,284
Increase (Decrease) in Accrued Wages Payable	(9,893)	(35,959)	(2,500)
Increase (Decrease) in due to other governments	-	15	-
Increase (Decrease) in Customer Deposits	-	31,795	-
Increase (Decrease) Unearned Revenue	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ (133,075)</b>	<b>\$ 546,298</b>	<b>\$ (70,019)</b>

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

Airport	Transit Bus System	GCCC	Total
\$ (1,728,515)	\$ (7,698,120)	\$ (4,248,615)	\$ (15,409,049)
1,355,418	1,195,002	849,690	4,973,073
(149,065)	(278,998)	(243,769)	(848,288)
(534,161)	(1,479,300)	(654,869)	(3,147,442)
(29,996)	-	-	(301,581)
412,276	545,844	798,305	2,333,843
-	-	-	511,589
(9,900)	(39,400)	-	(175,220)
294,409	-	-	504,254
336,334	-	-	551,451
(275,434)	(242,650)	(102,025)	(467,132)
-	-	-	(83,761)
(11,913)	11,103	23,849	13,509
(32,229)	(126,697)	(127,731)	(335,009)
86,333	-	-	86,348
-	-	-	31,795
46,641	-	-	46,641
<u>\$ (239,802)</u>	<u>\$ (8,113,216)</u>	<u>\$ (3,705,165)</u>	<u>\$ (11,714,979)</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, 2023</b>	<b>Risk Management</b>	<b>Santa Fe Health/ Dental</b>	<b>Workers' Compensation</b>
<b>Assets</b>			
Current assets			
Cash, investments, and cash equivalents	\$ -	\$ 11,666,160	\$ 3,356,894
Receivables			
Other	-	458,928	-
Inventory	-	-	-
<b>Total current assets</b>	<b>-</b>	<b>12,125,088</b>	<b>3,356,894</b>
Noncurrent assets			
Capital assets not being depreciated	-	-	-
Capital assets being depreciated	112,854	-	-
Right-to-use assets - subscriptions	-	-	-
Accumulated amortization - subscriptions	-	-	-
Accumulated depreciation	(47,496)	-	-
<b>Total noncurrent assets</b>	<b>65,358</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>65,358</b>	<b>12,125,088</b>	<b>3,356,894</b>
Deferred outflows of resources			
Deferred outflows - pension	61,776	63,164	-
Deferred outflows - OPEB	24,477	25,033	-
<b>Total deferred outflows of resources</b>	<b>86,253</b>	<b>88,197</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 151,611</b>	<b>\$ 12,213,285</b>	<b>\$ 3,356,894</b>

Unemployment Fund	Services to Other Departments	Total
\$ 383,849	\$ -	\$ 15,406,903
-	-	458,928
-	63,149	63,149
383,849	63,149	15,928,980
-	222,291	222,291
-	3,077,497	3,190,351
-	2,699,314	2,699,314
-	(1,094,044)	(1,094,044)
-	(850,290)	(897,786)
-	4,054,768	4,120,126
383,849	4,117,917	20,049,106
-	1,008,807	1,133,747
-	399,795	449,305
-	1,408,602	1,583,052
\$ 383,849	\$ 5,526,519	\$ 21,632,158

(Continued)

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

<b>June 30, 2023</b>	<b>Risk Management</b>	<b>Health/ Dental</b>	<b>Workers' Compensation</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	\$ 238,905	\$ 863,811	\$ 13,504
Pooled cash - cash overdrawn	1,048,722	-	-
Accrued payroll	7,409	6,204	-
Compensated absences - current	8,611	5,929	-
Subscription liabilities - due within one year	-	-	-
Claims and judgment payable	4,832,280	1,323,000	4,262,061
<b>Total current liabilities</b>	<b>6,135,927</b>	<b>2,198,944</b>	<b>4,275,565</b>
Noncurrent liabilities			
Compensated absences	13,948	9,603	-
Subscription liabilities, due in more than one year	-	-	-
Net pension liability	376,430	384,887	-
Net OPEB liability	78,617	80,402	-
<b>Total noncurrent liabilities</b>	<b>468,995</b>	<b>474,892</b>	<b>-</b>
<b>Total liabilities</b>	<b>6,604,922</b>	<b>2,673,836</b>	<b>4,275,565</b>
Deferred inflows of resources			
Deferred inflows - pension	14,809	15,142	-
Deferred inflows - OPEB	90,054	92,099	-
<b>Total deferred inflows of resources</b>	<b>104,863</b>	<b>107,241</b>	<b>-</b>
Net position			
Net investment in capital assets	65,358	-	-
Unrestricted (deficit)	(6,623,532)	9,432,208	(918,671)
<b>Total net position</b>	<b>(6,558,174)</b>	<b>9,432,208</b>	<b>(918,671)</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 151,611</b>	<b>\$ 12,213,285</b>	<b>\$ 3,356,894</b>

Unemployment Fund	Services to Other Departments	Total
\$ -	\$ 339,368	\$ 1,455,588
-	6,085,794	7,134,516
-	105,149	118,762
-	129,809	144,349
-	1,112,660	1,112,660
-	-	10,417,341
-	7,772,780	20,383,216
-	210,246	233,797
-	168,226	168,226
-	6,147,094	6,908,411
-	1,284,098	1,443,117
-	7,809,664	8,753,551
-	15,582,444	29,136,767
-	241,829	271,780
-	1,470,903	1,653,056
-	1,712,732	1,924,836
-	2,773,882	2,839,240
383,849	(14,542,539)	(12,268,685)
383,849	(11,768,657)	(9,429,445)
\$ 383,849	\$ 5,526,519	\$ 21,632,158

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

<b>June 30, 2023</b>	<b>Risk Management</b>	<b>Santa Fe Health/ Dental</b>	<b>Workers' Compensation</b>
Operating revenues			
Charges for services	\$ -	\$ -	\$ -
Other revenues	15,739	76,973	103,443
Premiums	2,840,698	24,138,701	-
<b>Total operating revenues</b>	<b>2,856,437</b>	<b>24,215,674</b>	<b>103,443</b>
Operating expenses			
Salaries, wages, and fringe benefits	162,330	1,393,144	254,540
Contractual services and utilities	305,590	878,736	56,416
Repairs and maintenance	-	-	-
Supplies	119,956	21,804	-
Small equipment	-	-	-
Depreciation expense	4,855	-	-
Insurance	2,607,364	658,559	-
Claims and judgments	4,067,781	17,662,033	1,566,899
Other	243,305	-	-
<b>Total operating expenses</b>	<b>7,511,181</b>	<b>20,614,276</b>	<b>1,877,855</b>
<b>Operating income (loss)</b>	<b>(4,654,744)</b>	<b>3,601,398</b>	<b>(1,774,412)</b>
Non-operating revenues (loss)			
Interest expense	-	-	-
Investment income (loss)	42,845	224,514	40,903
<b>Total non-operating revenues (expenses)</b>	<b>42,845</b>	<b>224,514</b>	<b>40,903</b>
<b>Income (loss) before transfers</b>	<b>(4,611,899)</b>	<b>3,825,912</b>	<b>(1,733,509)</b>
Transfers in	-	-	-
Transfers (out)	(62,500)	(75,000)	-
<b>Change in net position</b>	<b>(4,674,399)</b>	<b>3,750,912</b>	<b>(1,733,509)</b>
<b>Net position - beginning of year</b>	<b>(1,883,775)</b>	<b>5,681,296</b>	<b>814,838</b>
<b>Net position - end of year</b>	<b>\$ (6,558,174)</b>	<b>\$ 9,432,208</b>	<b>\$ (918,671)</b>



<b>Unemployment Fund</b>	<b>Services to Other Departments</b>	<b>Total</b>
\$ -	\$ 9,439,332	\$ 9,439,332
-	-	196,155
177,838	-	27,157,237
177,838	9,439,332	36,792,724
-	5,897,038	7,707,052
-	1,711,587	2,952,329
-	350,858	350,858
-	1,485,928	1,627,688
-	1,041,512	1,041,512
-	1,594,273	1,599,128
-	-	3,265,923
39,547	-	23,336,260
7	438,374	681,686
39,554	12,519,570	42,562,436
138,284	(3,080,238)	(5,769,712)
-	(13,251)	(13,251)
10,591	-	318,853
10,591	(13,251)	305,602
148,875	(3,093,489)	(5,464,110)
-	183,205	183,205
-	(155,852)	(293,352)
148,875	(3,066,136)	(5,574,257)
234,974	(8,702,521)	(3,855,188)
\$ 383,849	\$ (11,768,657)	\$ (9,429,445)

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

<b>For Year Ended June 30, 2023</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	\$ 2,954,534	\$ 24,291,745	\$ 102,681
Cash payments to suppliers for goods and services	(5,507,382)	(19,428,132)	(1,258,025)
Cash payments to employees for services	(288,824)	(1,526,386)	(254,540)
<b>Net cash provided (used) by operating activities</b>	<b>(2,841,672)</b>	<b>3,337,227</b>	<b>(1,409,884)</b>
<b>Cash flows from noncapital financing activities</b>			
Transfers in from other funds	-	-	-
Transfers out to other funds	(62,500)	(75,000)	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(62,500)</b>	<b>(75,000)</b>	<b>-</b>
<b>Cash flows from capital and related financing activities</b>			
Acquisition and construction of capital assets	(70,213)	-	-
Principal paid on subscription liabilities	-	-	-
Interest paid on subscription liabilities	-	-	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(70,213)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from investing activities</b>			
Interest and dividends on investments	42,845	224,514	40,903
<b>Net cash provided (used) by investing activities</b>	<b>42,845</b>	<b>224,514</b>	<b>40,903</b>
<b>Net increase (decrease) in cash, cash equivalents, and investments</b>	<b>(2,931,540)</b>	<b>3,486,741</b>	<b>(1,368,981)</b>
Cash, cash equivalents, and investments - beginning of year	1,882,818	8,179,419	4,725,875
<b>Cash, cash equivalents, and investments - end of year</b>	<b>\$ (1,048,722)</b>	<b>\$ 11,666,160</b>	<b>\$ 3,356,894</b>

<b>Unemployment Fund</b>	<b>Services to Other Departments</b>	<b>Total</b>
\$ 177,837	\$ 9,255,280	\$ 36,782,077
(39,554)	(5,011,169)	(31,244,262)
-	(5,550,757)	(7,620,507)
<u>138,283</u>	<u>(1,306,646)</u>	<u>(2,082,692)</u>
-	183,205	183,205
-	(155,852)	(293,352)
-	27,353	(110,147)
-	(1,601,548)	(1,671,761)
-	(1,418,428)	(1,418,428)
-	(13,251)	(13,251)
-	(3,033,227)	(3,103,440)
<u>10,591</u>	-	<u>318,853</u>
<u>10,591</u>	-	<u>318,853</u>
148,874	(4,312,520)	(4,977,426)
234,975	(1,773,274)	13,249,813
<u>\$ 383,849</u>	<u>\$ (6,085,794)</u>	<u>\$ 8,272,387</u>

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

<b>For Year Ended June 30, 2023</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)	\$ (4,654,744)	\$ 3,601,398	\$ (1,774,412)
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities			
Depreciation/Amortization/Bad debt expense	4,855	-	-
Difference between deferred outflows and related to pensions and OPEB	(14,531)	(15,305)	-
Difference between deferred inflows and related to pensions and OPEB	(123,464)	(124,810)	-
Difference between net pension/OPEB liability	4,811	7,702	-
Change in assets and liabilities			
(Increase) Decrease in Accounts receivables	-	(445,151)	-
(Increase) Decrease in Other receivables	-	(2,466)	-
Increase (Decrease) in Accounts Payable	98,097	523,688	(762)
Increase (Decrease) in Compensated Absences Payable	7,055	5,871	-
Increase (Decrease) in Accrued Wages Payable	(365)	(6,700)	-
Increase (Decrease) in Inventory	-	-	-
Increase (Decrease) in Claims Payable	1,836,614	(207,000)	365,290
<b>Net cash provided (used) by operating activities</b>	<b>\$ (2,841,672)</b>	<b>\$ 3,337,227</b>	<b>\$ (1,409,884)</b>

Unemployment Fund	Services to Other Departments	Total
\$ 138,284	\$ (3,080,238)	\$ (5,769,712)
-	1,594,272	1,599,127
-	(543,642)	(573,478)
-	(1,040,859)	(1,289,133)
-	2,001,444	2,013,957
-	-	(445,151)
-	-	(2,466)
(1)	(184,052)	436,970
-	26,253	39,179
-	(96,915)	(103,980)
-	17,091	17,091
-	-	1,994,904
<u>\$ 138,283</u>	<u>\$ (1,306,646)</u>	<u>\$ (2,082,692)</u>

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## SUPPORTING SCHEDULES



**State of New Mexico  
City of Santa Fe  
Schedule of Deposits and Investments  
June 30, 2023**

<b>Bank Account Type/Name</b>	<b>Citibank</b>	<b>Guadalupe Credit Union</b>	<b>LGIP</b>
Santa Fe health - checking - non-interest bearing	\$ 203,691	\$ -	\$ -
Certificates of deposit - interest bearing	-	268,249	-
LGIP Fund - interest bearing	-	-	41,407,623
NMFA investment accounts**	-	-	-
Municipal checking - interest bearing	-	-	-
Common - checking - non-interest bearing	-	-	-
Government money market - restricted cash - interest bearing	-	-	-
Money market - interest bearing	-	-	-
Fixed income securities - interest bearing	-	-	-
BDD Money market - interest bearing	-	-	-
BDD Fixed income securities - interest bearing	-	-	-
False alarm trust - interest bearing	-	-	-
<b>Total</b>	<b>203,691</b>	<b>268,249</b>	<b>41,407,623</b>
<b>Reconciling items</b>	<b>293,149</b>	<b>-</b>	<b>-</b>
<b>Reconciled balance</b>	<b>\$ 496,840</b>	<b>\$ 268,249</b>	<b>\$ 41,407,623</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 and cash equivalents 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
\$ -	\$ -	\$ -	\$ -	\$ 203,691
-	-	-	-	268,249
-	-	-	-	41,407,623
-	331,922	-	-	331,922
-	-	1,364,901	-	1,364,901
-	-	-	57,862,875	57,862,875
5,011,535	-	-	-	5,011,535
220,242,618	-	-	-	220,242,618
53,306,750	-	-	-	53,306,750
57,352,209	-	-	-	57,352,209
14,641,950	-	-	-	14,641,950
-	-	-	107,216	107,216
350,555,062	331,922	1,364,901	57,970,091	452,101,539
1,596,744	-	276	(5,840,529)	(3,950,360)
<u>\$ 352,151,806</u>	<u>\$ 331,922</u>	<u>\$ 1,365,177</u>	<u>\$ 52,129,562</u>	<u>448,151,179</u>
				5,075
				(92,325,474)
				(3,157,559)
				<u>\$ 352,673,221</u>

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**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Collateral Pledged by Depository For Public Funds**  
**June 30, 2023**

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value June 30, 2023
<b>Sterling National Bank</b>				
	Sachem Cent Sch Dist	10/15/2029	785721UK5	\$ 1,134,799
	FCOR 25-40 E	2/28/2040	3133ELPW8	2,100
	FCOR 24-39 V	12/27/2039	3133ELEZ3	766
<b>Total Sterling National Bank</b>				<b>1,137,665</b>
Name and location of safekeeper for above pledged collateral: BNY Mellon, New York, New York				
<b>Wells Fargo Bank</b>				
	FMAC 3.0%	2/1/2050	3133A1XU1	12,049,239
	FNMA FNMS 3.0%	1/1/2043	3138NXE29	6,315,756
	FNMA FNMS 2.5%	5/1/2031	3138WG5F7	2,430,051
	FNMA FNMS 3.0%	10/1/2049	3140JYAE6	3,037,679
	FNMA FNMS 3.5%	3/1/2051	3140XAGN6	8,701,827
	FNMA FNMS 2.5%	7/1/2047	3140XCTK4	9,662,863
	GNMA G2SF 2.0%	4/1/2047	3140XCTL2	1,925,050
	GNMA G2SP 2.5%	7/1/2043	3140XFSZ5	8,110,602
<b>Total Wells Fargo Bank</b>				<b>52,233,067</b>
Name and location of safekeeper for above pledged collateral: BNY Mellon, New York, New York				
<b>Total pledged collateral</b>				<b>\$ 53,370,732</b>

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Joint Powers Agreements**  
**For the Year Ended June 30, 2023**

<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%	\$ 1,828,236	BDD	BDD
Date of approval by DFA to termination by either party's governing body	50%	\$ 11,470,362	SWMA	SWMA
7/1/2026 - 6/30/2026	0%	\$ -	City of Santa Fe	City of Santa Fe

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# COMPLIANCE SECTION



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor  
The 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 budgets of the City of Santa Fe (the “City”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City’s basic financial statements and have issued our report thereon dated May 15, 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.

*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 City’s financial statements will not be prevented, or detected and corrected, on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003 that we consider to be material weaknesses.



## 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-004.

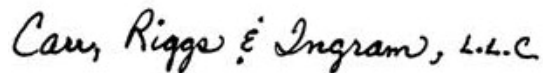
We noted certain other matters that are required to be reported per Section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of findings and questioned costs as items 2023-008, 2023-009, 2023-010, 2023-011, 2023-012, and 2023-013.

### 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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Carr, Riggs & Ingram, LLC  
Albuquerque, NM  
May 15, 2024

**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**

***Qualified and Unmodified Opinions***

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, 2023. 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.

***Qualified Opinion on the Airport Improvement Program***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Airport Improvement Program for the year ended June 30, 2023.

***Unmodified Opinion on Each of the Other Major Federal Programs***

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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2023.

***Basis for Qualified and Unmodified Opinions***

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 qualified and unmodified opinions 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.

*Matter Giving Rise to Qualified Opinion on the Airport Improvement Program*

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the *Airport Improvement Program* as described in finding number 2023-004 for activities allowed or unallowed and allowable costs/cost principles.

Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

***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 the 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 the 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 the City's compliance with the requirements of the 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 the 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 the 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 the 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.

### ***Other Matters***

*Government Auditing Standards* requires the auditor to perform limited procedures on the City’s response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **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 material weaknesses.

*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.

*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 2023-004, 2023-005, 2023-006, and 2023-007 to be material weaknesses.

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 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 response.

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, L.L.C.*

Carr, Riggs & Ingram, LLC  
Albuquerque, New Mexico  
May 15, 2024

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2023**

<b>Federal Grantor or Pass- Through Grantor / Program Title</b>	<b>Grant/Pass Thru Number</b>
<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>	
Airport Improvement Program #51	SAF-SWG- 3-35-0037-051-2020
Airport Improvement Program #52	SAF-SWG- 3-35-0037-052-2020
Airport Improvement Program #53	SAF-SWG- 3-35-0037-054-2021
Airport Improvement Program #54	SAF-SWG- 3-35-0037-057-2021
Subtotal Airport Improvement Program	
<i>Passed through the New Mexico Highway and Transportation Department</i>	
Highway Planning and Construction	D18464
Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research	M01628, D16022
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	01-AL-64-090
<i>Passed through the New Mexico Environment Department</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.*

<b>Assistance Listing Number</b>	<b>Federal Expenditures</b>	<b>Program/ Cluster Subtotal</b>	<b>Funds Provided to Subrecipient</b>	<b>Noncash Assistance</b>
14.218	1,317,030		1,111,589	
14.218	223,455		223,455	-
		1,540,485		
		1,540,485	1,335,044	-
20.106	234,351		-	-
20.106	42,035		-	-
20.106	27,360		-	-
20.106	850,534		-	-
		1,154,280		
20.205	147,490		-	-
20.505	348,239		-	-
20.608	35,431		-	-
20.703	32,059		-	-
		1,717,499	-	-
21.027	3,123,185		2,601,900	-
		3,123,185	2,601,900	-
45.024	15,000		-	-
		15,000	-	-

(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, 2023**

<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>	
Aging Cluster	
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
National Family Caregiver Support, Title III, Part E	2023-22-60026
COVID-19 - National Family Caregiver Support, Title III, Part E, ARPA	2023-22-60026
Nutrition Services Incentive Program (NSIP)	2023-22-60026
<hr/>	
Subtotal Aging Cluster	
<i>Passed through New Mexico Department of Human Services IFT</i>	
Opioid STR	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)	21-624-4000-0024
Foster Grandparent/Senior Companion Cluster	
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>U.S. Department of Homeland Security</b>	
<i>Passed through the New Mexico Department of Homeland Security and Emergency Management</i>	
	FEMA-4529-DR-NM-142620- PW15
Disaster Grants - Public Assistance	
Subtotal Disaster Grants - Public Assistance	
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.*



<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>	<u>Program/ Cluster Subtotal</u>	<u>Funds Provided to Subrecipient</u>	<u>Noncash Assistance</u>
93.044	48,568		-	-
93.045	94,043		-	-
93.045	43,840		-	-
93.052	29,101		-	-
93.052	14,972		-	-
93.053	109,484		-	-
		340,008		
93.788	84,307		-	-
	424,315		-	-
94.002	40,861		-	-
94.011	34,773		-	-
		34,773		
	75,634		-	-
97.036	273,667		-	-
		273,667		
97.042	3,249		-	-
97.067	239,056		-	-
	515,972		-	-
	\$ 7,412,090		\$ 3,936,944	\$ -

*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, 2023**

**Notes to Schedule of Expenditures of Federal Awards**

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (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

**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	\$ 7,412,090
Total expenditures funded by other sources	236,326,538
<hr/>	
Total expenditures	243,738,628
<hr/> <hr/>	

**State of New Mexico  
City of Santa Fe  
Schedule of Findings and Questioned Costs  
June 30, 2023**

**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? | None noted |
| c. Noncompliance material to the financial statements?                           | Yes        |

*Federal Awards:*

- |  |                      |
|--|----------------------|
| 1. Type of auditor’s report issued on compliance for major programs  | Unmodified/Qualified |
| 2. Internal control over major programs:   |                      |
| a. Material weaknesses identified?   | Yes                  |
| b. Significant deficiencies identified not considered to be material weaknesses?                               | None noted           |
| 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	Airport Improvement Program
14.218	Community Development Block Grants/ Entitlement Grants
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, 2023**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2023-001 (2019-007) – Schedule of Expenditures of Federal Awards and Internal Controls over Grant Reporting (Material Weakness) (repeated/modified)**

*Condition:* The City does not properly track federal expenditures by grant in the accounting system or utilize sub ledgers to assist in reconciliation of separate grants and related expenditures, revenues, accounts receivable, and unearned revenue.

*Management’s Progress on Repeat Findings:* The City has had difficulty accumulating grant related financial records and subledgers. However, in September of 2022, a Grants Manager was hired who has been continuously working to reconcile the data in the City’s accounting system and establish a process for accurately tracking grant funding sources and the related expenditures. The City was able to provide one version of the SEFA which was significantly more accurate than in prior years, however the Grants Manager has resigned leaving this task to be taken on by another employee who is not trained on the process.

*Criteria:* According to the Uniform Guidance (2 CFR Section 200.510(b) – Schedule of Expenditures of Federal Awards), a schedule of expenditures of federal awards for the period covered by the auditee’s financial statements which must include the total federal awards expended.

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 allow for complete and accurate reporting by grant to facilitate recording of relevant balances related to each grant.

*Cause:* The City’s financial system was initially not set up to properly identify and segregate grant funding sources and expenditures to allow for accurate financial reporting.

*Effect:* The City has difficulty validating grant related balances and providing support to demonstrate the completeness and accuracy of such balances.

*Auditor recommendation:* The City should ensure its grant funding is appropriately segregated within its accounting system either through sub ledgers or separate fund structures. Additionally, the City should designate an employee to implement a reconciliation and review process to allow for accurate and complete grant financial data to be periodically produced and validated.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**2023-001 (2019-007) – Schedule of Expenditures of Federal Awards and Internal Controls over Grant Reporting (Material Weakness) (repeated/modified) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In January 2023, the Finance Department, in coordination with the City's Information Technology and Telecommunications Department and Human Resources Department, successfully upgraded the MUNIS Enterprise Resource Planning (ERP) software to the 2019 version. This upgrade was required for the full implementation of the project ledger and grants module in MUNIS. This module implementation will allow for expenditures to be properly coded and tracked in MUNIS, as well as for a MUNIS generated SEFA. Scheduled training and testing by the Grants Department were set for January 2024 (FY24), and full implementation to take place for FY25. However, the Grants Manager resigned during this scheduled period, leaving the task on hold until the position is once again filled.

While the Grants Manager position is in recruitment, the City has been working to develop cross-training and documentation of procedures to facilitate knowledge accessibility and provide continuous monitoring of grant-related financial activities. The City continues to support comprehensive training with the employees responsible for grant management and financial reporting, with attendance at a grants training conference scheduled in early FY25. Standard operating procedures will be developed outlining the steps for reconciliation and review, along with documentation requirements.

*Responsible Official:* Finance Director, Accounting Officer, and Grants Manager (in recruitment)

*Timeline and Estimated Completion Date:* June 30, 2025

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**2023-002 (2017-001) – Internal Controls over Financial Close and Reporting (Material Weakness)  
(repeated/modified)**

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

*Management’s Progress on Repeat Findings:* The City’s June 30, 2019 audit was not completed until the beginning of fiscal year 2021. Since that time, the City has been behind in its financial close and reporting procedures. The City has hired new finance staff into key positions in July 2023 and January 2024. The City is also utilizing the help of a consultant with the aim of catching up on its financial close schedule by the end of fiscal year 2024. Additionally, the City implemented month-end close process in early FY23, which has helped accelerate the closing process.

*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 complete periodic closing procedures in a timely and accurate fashion.

*Cause:* Lack of adequate processes and procedures in place to properly review and reconcile account balances. In addition, it has been a lengthy process to close previous months and fiscal years which must be done in chronological order.

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

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

*Views of Responsible Officials and Planned Corrective Action:* The City agrees that adhering to a monthly or quarterly accounting close schedule is an important internal control that is necessary to allow for timely and accurate financial reporting.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**2023-002 (2017-001) – Internal Controls over Financial Close and Reporting (Material Weakness)  
(repeated/modified) (Continued)**

During FY21 and FY22, there were many finance position vacancies. The vacancies slowed and limited the progress on the transition to the MUNIS ERP software as well as the implementation & enforcement of a monthly close. Staffing changes also resulted in a loss of institutional knowledge which limited the sync between the current “as is” business process and the future “to be” business process. In addition, the finance staff did not have sufficient Munis experience and knowledge of the closing process.

Recognizing the challenges identified, the City proactively addressed these concerns in FY22 and FY23. To mitigate the impact of staff vacancies and enhance the City’s financial reporting capabilities, the Finance Department engaged specialized consultants from an independent public accounting firm. In August 2022 the City contracted with consultants from a firm that performed previous audits of the City and has extensive expertise in governmental accounting and financial reporting. The consultants provide audit preparation services and operational support, including fund work (account reconciliations, accounting treatments), and assistance with the implementation of monthly and year-end closing processes. A key objective for CliftonLarsonAllen (CLA), the engaged firm, is to expedite the City's transition to a current and compliant status concerning financial reporting norms. This initiative was essential not only for adhering to regulatory requirements but also for ensuring the enforcement of systematic monthly procedures. These procedures include detailed fund work, thorough account reconciliations, and the implementation of a month-end close.

To address the gap in internal knowledge, Finance Department staff members attended the annual MUNIS Connect training in 2023 and plan to attend in 2024. The City also signed up for the Munis educational program (PACE) for two reasons: to have an education resource and to ensure that knowledge is current with any updates made to Munis. These changes resulted in the implementation of a hard close in Munis.

In FY24 two key positions were filled, the controller and the accounting officer. Having those positions filled will help in the enforcement & execution of the monthly processes. Additionally, the Finance Department, in the post pandemic environment, has been able to hire qualified staff members to fill key positions and implement hard close procedures for both FY22 and FY23.

As a direct result of these strategic interventions, the City successfully implemented and maintained a monthly close process throughout FY23, alongside a robust annual close processes. We are also on schedule to close FY24 in a similarly timely and accurate manner, which further validates the effectiveness of the improvements made to our financial processes.

*Responsible Official:* Finance Director, Accounting Officer, and Controller

*Timeline and Estimated Completion Date:* June 30, 2024



**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**2023-003 (2020-008) – Controls over Cash Balances (Material Weakness) (repeated/modified)**

*Condition:* During our testing over other cash balances held by the City, we noted the following.

- The MUNIS system has an internal balancing account related to the pooled cash accounts that will balance the entries at the fund level, however the use of this feature could result in errors if an entry is not accurately entered into the system. The City previously posted numerous entries that adjusted claims on the pooled cash without an offsetting actual cash transaction in the pooled cash fund which has led to difficulties reconciling the cash in a timely manner.
- The City is not regularly reconciling its non-sufficient funds (NSF) account which is causing the balance to accumulate and not be applied to funds.

*Management's Progress on Repeat Findings:* The City's management along with its consulting accountant have been working to identify and address many issues in the cash reconciliation and reporting process throughout 2022 and 2023. Many of the previously existing issues from finding 2020-008 have been resolved and the City continues to make progress towards resolving the cash reconciling issues, however, the items identified above have not been fully resolved through the date of this report.

*Criteria:* Proper cash procedures include a reconciliation process that will reconcile the differences between the bank balance of the account and the account balance on the trial balance by reviewing pooled cash, outstanding checks, deposits in transit, voided checks, and NSF checks.

*Cause:* Lack of adequate cash reconciliation processes at the City as well as prior manual journal entries to reconcile pooled cash. In addition, the items noted above originated during the COVID-19 pandemic at which time there was a lack of staffing.

*Effect:* The City could have a misstated cash balance that is undetected by the internal controls.

*Auditor recommendation:* The City should work to reconcile the pooled cash accounts and NSF account through current. Additionally, the City's management team should avoid making manual entries to NSF and pooled cash whenever possible to allow the accounting system to track such items appropriately.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

**SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)**

**2023-003 (2020-008) – Controls over Cash Balances (Material Weakness) (repeated/modified)  
(Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. The City contracted with consultants from an independent public accounting firm that performed previous audits of the City and has extensive expertise in Governmental accounting and financial reporting to assist staff with bank reconciliation processes for the FY22 and FY23 audit preparation. The cash account has been reconciled through FY23 and the consultants are now assisting with FY24 reconciliations. By the end of FY25 the City anticipates implementing the Munis Module Treasury Management that would help reconcile cash through the ERP system. The use of the Treasury Management module will help reconcile the cash account from the bank to the general ledger. This is important because the premise for the reconciliation will be the bank data, which will include NSFs. Another important feature of the Treasury Management Module is that it will facilitate the establishment of multiple general ledger account numbers that correlate to the various bank accounts. The relationship between general ledger transactions and bank transactions will be one-to-one (future), vs. one-to-many (current). The consultants are also providing training to City staff responsible for cash reconciliation and making recommendations for process improvements to make the reconciliation process less complex. In addition, the City's implementation of hard year end closes starting with FY22 and implementation of a monthly close process in FY23 are assisting with the City's efforts to correct this finding. The Accounting Officer and Controller positions are now filled, and these key positions are responsible for revising and maintaining cash reconciliation and NSF reconciliation processes in coordination with the Treasury Officer. The reconciliation process and the treatment of the NSFs will be documented in procedures thus helping to ensure the continuity of the process.

*Responsible Official:* Finance Director, Treasury Officer, Accounting Officer, Controller

*Timeline and Estimated Completion Date:* June 30, 2025

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

**SECTION III – FEDERAL AWARD FINDINGS**

**2023-004 – Activities Allowed, Allowable Costs over Payroll (Material Noncompliance, Material Weakness over Internal Controls over Compliance)**

*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:* 2023

*Condition:* During reconciliation of the general ledger to the SEFA, it was noted multiple pay periods were duplicated which were included in request for reimbursement.

*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 - 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 \$86,333

*Effect:* The City requested reimbursement for duplicate transactions resulting in disallowed costs.

*Auditor recommendation:* The auditor recommends the City strengthen policies and procedures to ensure a review of the general ledger for the federal program to ensure no duplicate costs are charged prior to reimbursement. Additionally, the Finance Department should provide secondary review on all requests for reimbursements.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2023-004 – Activities Allowed, Allowable Costs over Payroll (Material Noncompliance, Material Weakness over Internal Controls over Compliance) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. When this issue was brought to the attention of the Finance Director and Accounting Officer as material noncompliance, the schedule of expenditures of federal awards (SEFA) was revised to remove the duplicated expenditures. Management proposed an adjusting journal entry prior to the completion of the audit to record the amount of the reimbursement for duplicated expenditures as a liability “due to Federal Government”. The City will work with the awarding agencies to return the funds that were reimbursed incorrectly.

When this reimbursement request was done the payroll expenditure data that was used to calculate the reimbursement request was compiled manually by combining multiple reports. This was a manual process. The process has changed, so that now the Airport Administrative Manager gets one report directly from the Payroll Division that contains all Airport payroll expenditure data.

In November 2022 (about 5 months into FY23) the City hired a new Airport Manager with substantial experience managing municipal airports and overseeing federal funding for airports. In CY24 the Finance Director and the Accounting Officer will work with the Airport staff to strengthen policies and procedures to ensure a review of the general ledger for the federal program to ensure no duplicate costs are charged prior to reimbursement. Secondary review by the Finance Department or a vendor approved by the Finance Director will be required for all Airport requests for reimbursements. The City is in the process of identifying a vendor to contract with Airport to assist with federal compliance and provide training to Airport staff on relevant Uniform Guidance requirements. The vendor’s scope of work will include performing secondary review of requests for reimbursement and helping with developing and documenting policies and standard operating procedures for requests for reimbursement. In CY24 the City will provide Uniform Guidance training to staff which will include internal controls related to activities allowed and allowable costs over payroll.

*Responsible Official:* Finance Director, Airport Manager, Accounting Officer, Grants Manager (in recruitment).

*Timeline and Estimated Completion Date:* December 31, 2024

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2023-005 – Activities Allowed, Allowable Costs over Payroll (Material Weakness over Internal Controls over Compliance)**

*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:* 2023

*Condition:* During our review of payroll related transactions, 10 out of 45 timesheets tested did not include appropriate approval by the Manager/Supervisor.

*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 200.403g, costs must be adequately documented to be allowable under Federal awards.

*Cause:* The City is not following procedures to ensure the appropriate approvals are being conducted on all payroll transactions.

*Questioned Cost:* None.

*Effect:* The City may unintentionally overpay or underpay employees during their fiscal year.

*Auditor recommendation:* The auditor recommends the City strengthen the controls in place to provide assurance that proper review occurs on all transactions. The City’s review/oversight should be designed to ensure that items missing approvals do not move forward in the payroll process.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2023-005 – Activities Allowed, Allowable Costs over Payroll (Material Weakness over Internal Controls over Compliance) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In FY22 the Payroll Division started sending out a bi-weekly payroll reminder with tips and guidance for managers and supervisors. In FY24 the Finance Director and the Payroll Officer began working with the City Manager's Office to strengthen enforcement of policies and procedures to ensure that appropriate approvals are conducted on all payroll transactions. City Leadership, Department Directors, and Senior Staff have been directed frequently at weekly Senior Staff meetings to ensure that proper review and approval occurs on all employee timesheets. The Payroll Officer continues to send reminder emails every pay period with instructions about how to review and approve timesheets in the Munis system, and the Payroll Division provides training as requested by Department staff.

During CY24 the City plans to implement an upgrade of the UKG Kronos timekeeping system. The new UKG Dimensions system will offer additional functionality and the ability to interface directly with the Munis ERP system. Additionally, the Payroll Division will develop training on timecard approval and add this information to the bi-weekly correspondence about timesheet approval deadlines. The Finance Director and Payroll Officer will also work with the City Manager and HR to address repeat noncompliance with disciplinary action. Further, we will work with HR and IT to ensure that all timecards have a backup approver in the event of a supervisor's absence. The Finance Director and the Payroll Officer will work with the City Manager's Office to develop a process whereby items missing required approvals are resolved prior to payroll running.

The City is in the process of identifying a vendor to contract with Airport to assist with federal compliance and provide training to 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, including procedures for Airport payroll approvals. In CY24 the City will provide Uniform Guidance training to staff which will include internal controls related to activities allowed and allowable costs over payroll.

*Responsible Official:* Finance Director, Airport Manager, Payroll Officer, Grants Manager (in recruitment), Human Resources, Information Technology & Telecommunications, and all Airport Supervisors and Managers.

*Timeline and Estimated Completion Date:* December 31, 2024

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2023-006 – Equipment and Real Property Management (Material Weakness over Internal Controls over Compliance)**

*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:* 2023

*Condition:* The City's approved annual inventory was not complete and accurate. Certain assets listed as disposed were still in use for Airport operations, other assets that were disposed were included as active assets.

*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:* The City's approved annual inventory contained errors in information and assets disposed of still listed.

*Questioned Cost:* None.

*Effect:* The City could dispose of or lose 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 count 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 the relevant requirements.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2023-006 – Equipment and Real Property Management (Material Weakness over Internal Controls over Compliance) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In November 2022 (about 5 months into FY23) the City hired a new Airport Manager with substantial experience managing municipal airports and overseeing federal funding for airports. During FY23 the long-time Administrative Manager at the Airport separated without notice from the City and other staff were unable to access needed files which included equipment records.

In 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 CY24 the Finance Director and the Accounting Officer will work with the Airport staff to improve internal controls over equipment purchased with federal funds. Policies and procedures will be developed to ensure that an accurate physical inventory is conducted timely, and that assets are removed from the asset listing when they are disposed of. Tools will be developed to facilitate tracking and maintaining equipment purchased with federal funds. In CY24 the City will provide Uniform Guidance training to staff which will include capital assets and equipment information.

The City is in the process of identifying a vendor to contract with Airport to assist with federal compliance and provide training to Airport staff on relevant Uniform Guidance requirements. The vendor's scope of work will also include helping with developing and documenting standard operating procedures related to equipment and real property management.

*Responsible Official:* Finance Director, Airport Manager, Airport Heavy Equipment Mechanic, Accounting Officer, Grants Manager (in recruitment)

*Timeline and Estimated Completion Date:* December 31, 2024



**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2023**

**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2023-007 (2021-009) – Financial Reporting (Material Weakness 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-3-35-0037-051-2020; SAF-SWG-3-35-0037-052-2020;  
SAF-SWG-3-35-0037-054-2021; SAF-SWG-3-35-0037-057-2021  
*Federal Award Year:* 2023

*Condition:* During review of reports, the City submitted 10 financial reports that did not include supporting backup documentation to substantiate the information reported.

*Management’s Progress on Repeat Findings:* Some progress made from prior year.

*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 200.508(d), the Auditee must provide the auditor with access to books, records, supporting documentation, and other information as needed for the auditor to perform the audit required by grant agreements and part 200.306(b), for all federal awards, any matching funds, must be accepted as part of the non-Federal entities matching when the following criteria is met (1) Are verifiable from the non-Federal entities records.

*Cause:* The City does not have sufficient controls in place to ensure documentation is retained to support accuracy of the report.

*Questioned Cost:* None

*Effect:* Lack of proper support for accuracy of reports can result in improper reporting which could lead to disallowed costs. However, our audit disclosed no instances of unallowable costs.

*Auditor recommendation:* The auditor recommends the City strengthen the controls in place to provide assurance backup documentation is retained with reports to support amounts reported. The employees responsible for report preparation should be trained to ensure understanding of the relevant Uniform Guidance requirements. Additionally, review procedures should be designed to address proper document retention to substantiate information reported.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
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**SECTION III – FEDERAL AWARD FINDINGS (Continued)**

**2023-007 (2021-009) – Financial Reporting (Material Weakness in Internal Controls over Compliance) (repeated/modified) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In November 2022 (about 5 months into FY23) the City hired a new Airport Manager with substantial experience managing municipal airports and overseeing federal funding for airports. Prior to the hire, the Airport Operations Manager was the acting airport manager, but that position was vacated during FY23. There was a period during FY23 between when the Airport Operations Manager left the City and when the new Airport Manager came on board.

In CY24 the Finance Director and the Accounting Officer will work with the Airport staff to implement controls and to provide assurance that Federal Financial Reports have adequate supporting documentation and are reviewed and approved prior to submission the grantor agency timely. The City is in the process of identifying a vendor to contract with Airport to assist with federal compliance and provide training to Airport staff on relevant Uniform Guidance requirements. The vendor’s scope of work will also include helping with developing and documenting standard operating procedures related to documentation requirements and document retention.

*Responsible Official:* Finance Director, Airport Manager, Accounting Officer, Grants Manager (in recruitment)

*Timeline and Estimated Completion Date:* December 31, 2024

**State of New Mexico**  
**City of Santa Fe**  
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**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS**

**2023-008 (2021-017) – Pledged Collateral (Other Noncompliance) (repeated/modified)**

*Condition:* The City had less pledged collateral coverage than was needed for compliance with New Mexico state statute for a deposit held by Guadalupe Credit Union at June 30, 2023. The required collateral was \$9,102. The collateral provided was \$0 for the institutions, resulting in a shortfall of \$9,102.

*Management Progress on Repeat Findings:* The original finding was not issued on June 30, 2023. As such, the City was unable to take corrective action prior to the close of fiscal year 2023. However, the City is actively working to resolve the item noted.

*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 was unable to provide documentation demonstrating proper coverage for the deposits in excess of FDIC coverage.

*Auditor's Recommendation:* The City should work with Guadalupe Credit Union 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 agrees with this finding. The City strives to support its local businesses, including its financial institutions. Unfortunately, the local credit union mentioned in the finding was not able to provide the required pledged collateral documentation when requested. The Finance Director, the Assistant Finance Director, and the Treasury Officer have been in communication with representatives of Guadalupe Credit Union to determine if the pledged collateral requirement can be met for FY24 deposits. Despite repeated requests this financial institution has still not provided documentation showing that pledged collateral requirements are being met. On May 1, 2024 the City sent a letter to Guadalupe Credit Union requesting immediate closure of the account and return of the City's funds. As of May 12, 2024 the Finance Department has not received a response therefore the issue has been escalated to the City Attorney's Office. When the account is closed a new account will be established for these funds at the City's Fiscal Agent Bank Wells Fargo.

*Responsible Official:* Finance Director, Assistant Finance Director, and Treasury Officer

*Timeline and Estimated Completion Date:* June 30, 2024

**State of New Mexico  
City of Santa Fe  
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**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)**

**2023-009 (2020-021) – Budgetary Compliance (Other Noncompliance) (repeated/modified)**

*Condition:* The following funds were over-expended during fiscal year 2023:

<b>Fund</b>	<b>Fund Description</b>	<b>Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>(Over) Budget</b>
210	Capital Equipment Reserve Fund	\$ -	\$ 68,896	\$ (68,896)
222	Fire Environmental Services Fund	-	58	(58)
254	Public Facilities Purchase Fund	123,268	136,236	(12,968)
525	Midtown (Santa Fe College) Fund	4,808,545	5,263,948	(455,403)
600	Risk Management Fund	6,780,103	7,511,181	(731,078)
610	Workers Comp Fund	1,638,044	1,877,855	(239,811)

*Management Progress:* The City had more over-expended funds as compared to fiscal year 2022. However, the dollar amount by which the funds were over-expended decreased.

*Criteria:* City funds are to be budgeted by the local governing body and submitted to the State of New Mexico Department of Finance and Administration - Local Government Division for approval. Once adopted, any claims or warrants in excess of approved budget are in violation of New Mexico Statute - 6-6, 1978. In addition, NMAC 2.2.2.10 (R) (1) requires an audit finding if actual expenditures exceed budget expenditures at the legal level of budgetary control.

*Cause:* Necessary budget adjustments were not completed prior to fiscal yearend.

*Effect:* Non-compliance with statutes regarding budgetary control.

*Auditor's Recommendation:* The City should review total actual expenditures at the end of the fiscal year to the approved budget and submit budget adjustments to the New Mexico Department of Finance and Administration when appropriate.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. Using the current systems, it is challenging to monitor all funds, especially at fiscal year-end, when unanticipated expenditures or transfers arise for which the need for budget availability was not previously identified. An example of this is the expenditure in Fund 210 Capital Equipment Reserve. The expenditure in this fund is related to an auction of City property that occurred in mid-June 2023. Because the auction prep was done late in the fiscal year there was insufficient time to do a budget adjustment to cover the expenditures that were accrued.

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**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)**

**2023-009 (2020-021) – Budgetary Compliance (Other Noncompliance) (repeated/modified) (Continued)**

In the case of Fund 525 Midtown (College of Santa Fe) it appears the overage was related to an adjustment for depreciation. For Fund 600 Risk Management and Fund 610 Workers Comp the overages appear to be related to an adjustment for IBNR Claims Reserve Expense. These adjustments were made during the audit prep process after the end of the fiscal year and after the DFA deadline for budget adjustments (July 31).

Because of the DFA year-end deadline (July 31) requirement, and the timing of the July Council and City committee meeting schedules, budgetary compliance issues may result. Being behind on annual audits exacerbated this problem. The implementation of the hard year end closes in FY22 and FY23, as well as the monthly closing processes, ensure that information is recorded in Munis timelier, which allows for more accurate monitoring of the budget. The City is also 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.

*Responsible Official:* Finance Director, Assistant Finance Director, Accounting Officer, and Budget Officer

*Timeline and Estimated Completion Date:* June 30, 2025

**State of New Mexico  
City of Santa Fe  
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**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)**

**2023-010 (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>Fund</b>	<b>Fund Description</b>	<b>Budgeted Deficit</b>	<b>Prior Year Cash and Federal</b>	
			<b>Receivables</b>	<b>Excess Deficit</b>
320	Facilities CIP	\$ (6,536,734)	\$ 5,915,197	\$ (621,537)
330	City Street Projects	(10,216,339)	6,899,754	(3,316,585)
335	Bond Acquisition Fund	(5,440,026)	4,727,786	(712,240)
540	TRANSBUS	(7,163,840)	3,894,645	(3,269,195)

*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 2022.

*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.

**State of New Mexico**  
**City of Santa Fe**  
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**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)**

**2023-010 (2021-020) – Cash Appropriations in Excess of Available Cash Balances (Other Noncompliance) (continued) (repeated/modified)**

*Views of Responsible Officials and Planned Corrective:* The City agrees with this finding. During the spring 2022 budget season when the FY23 budget was being developed the City had not yet completed the FY21 annual audit. As a result, only projected/estimated cash numbers were available, which did not and could not account for all future adjustments to cash that were unknown at that point; therefore, the budget was based on estimated cash balances. Completing the City’s audits timely will ensure that the Budget Division has accurate and up-to-date information regarding the upcoming budget year’s cash balances. This information will be used to plan accordingly during the budget season (late winter to early spring).

Review of the funds identified in this finding suggests there is a need for more communication and coordination between the Grants team and the Budget Division regarding the timing for when federal and state grant receivables are recognized in the financial statements. The Finance Department will work to improve this communication prior to the completion of the FY24 audit. The City is also 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.

*Responsible Official:* Finance Director, Assistant Finance Director, Accounting Officer, and Budget Officer

*Timeline and Estimated Completion Date:* June 30, 2025

**State of New Mexico**  
**City of Santa Fe**  
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**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)**

**2023-011 – Controls Over Vendor Information (Other Matters)**

*Condition:* The City failed to identify an unauthorized change request received via email resulting in inappropriate modifications to vendor contact information, address, and ACH information. This resulted in a disbursement being issued to a party other than the vendor whose file was changed.

*Criteria:* The COSO Internal Control Integrated Framework consists of five critical elements that must be present in carrying out the achievement objectives of an organization. These elements are known as the control environment, risk assessment, control activities, information and communication and monitoring. With these elements in place, the City can maximize its potential for achieving its performance targets and reduce the risk of loss of resources.

*Cause:* The validity of the change request received via email was not verified with the vendor.

*Effect:* An inappropriate payment was made to an outside party instead of the vendor.

*Auditor recommendation:* The City should ensure all vendor file changes are verified with the vendor to ensure the validity of the request prior to issuance of payments to that vendor.

*Views of Responsible Officials and Planned Corrective Action:* The City concurs with the finding. We recognize the importance of the COSO Framework's five elements: control environment, risk assessment, control activities, information and communication, and monitoring, for achieving our objectives and minimizing resource loss.

In response to the identified cause - unverified email change requests - we've implemented corrective measures. The City's Accounts Payable group, in collaboration with the Information Technology and Telecommunications Department (ITT), has instituted new protocols in the Tyler Munis Vendor Self-Serve (VSS) Module. Vendors are now required to sign into VSS and update their banking information using their vendor number and Federal Tax Identification Number (FID) from their W-9. We no longer accept email change requests on PDF forms. All changes must be initiated through VSS by the vendor.

The Accounts Payable group will work with the ITT Department to investigate implementing additional vendor identity verification processes such as EIN confirmation through the Internal Revenue Service and cross-referencing with the City's business licensing records.

*Responsible Official:* Finance Director, Accounting Officer, Controller, A/P Supervisor, ITT Director, and IT Project Management Office Business Analyst.

*Timeline and Estimated Completion Date:* June 30, 2024



**State of New Mexico**  
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**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)**

**2023-012 (2022-015) - Bank Account authorized signers (Other Matters) (repeated/ modified)**

*Condition:* During our testing we noted the former Finance Director was still a signer on the Guadalupe Credit Union bank account, even though her employment with the City ended in April 2022.

*Management's Progress on Repeat Findings:* The original finding was issued on June 30, 2023. As such, the City was unable to take corrective action prior to the close of fiscal year 2023. However, the City is actively working to resolve the item noted.

*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 appropriate segregation of duties both in job function and in financial systems.

*Cause:* A review of the authorized users was not completed and/or the access was not identified and removed subsequent to the Finance Director leaving the City.

*Effect:* This could result in a material misstatement or fraudulent activity.

*Auditor recommendation:* The City should ensure all bank accounts are updated annual with the proper authorized signers.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. The City strives to support its local businesses, including its financial institutions. Unfortunately, the local credit union mentioned in the finding was not able to provide the required updates to the signers on the bank account when requested. The Finance Director, the Assistant Finance Director, and the Treasury Officer have been in communication with representatives of Guadalupe Credit Union to remove authorized users who are no longer under employment with the City. Despite repeated requests this financial institution has still not provide updates on the signers on the bank account as requested. On May 1, 2024 the City sent a letter to Guadalupe Credit Union requesting immediate closure of the account and return of the City's funds. As of May 12, 2024 the Finance Department has not received a response therefore the issue has been escalated to the City Attorney's Office. When the account is closed a new account will be established for these funds at the City's Fiscal Agent Bank Wells Fargo.

*Responsible Official:* Finance Director, Assistant Finance Director, and Treasury Officer

*Timeline and Estimated Completion Date:* December 31, 2024

**State of New Mexico**  
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**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)**

**2023-013 (2019-020) – Late Audit Report (Other Noncompliance) (repeated/modified)**

*Condition:* The audited financial statements of the City were submitted to the New Mexico Office of the State Auditor after the statutory deadline of December 15, 2023.

*Management’s Progress on Repeat Findings:* The City is taking action on multiple fronts to catch up on its annual financial statement audits. The City contracted with the accounting firm Carr, Riggs, & Ingram (CRI) on September 6, 2022 to conduct both the FY21 and FY22 audits. The FY23 audit contract was executed on October 3, 2023. Additionally, over the past year the City strengthened its finance leadership team by hiring highly qualified individuals into the Finance Director, Grants Manager, Chief Procurement Officer, and Controller positions. A new Accounting Officer joined the City team in early January 2024. The City continues to search for individuals to fill staff accounting positions. To assist in completing the FY21, FY22, and FY23 audits, the City has also contracted with CliftonLarsonAllen (CLA) for consulting services including audit preparation and operational support.

In January 2023, the City successfully upgraded the Tyler Munis ERP system from version 2011.3 to version 2019.1. The newer version of Munis offers enhanced functionality and greater ability to interface with other critical IT systems such as the Kronos employee timekeeping system and the UCIS Utility Billing System. In addition, the City has taken action to catch up on audits as the FY23 audit was submitted 5 months after the due date as compared to FY22 when the audit was submitted 12 months after the due date.

*Criteria:* Per Section 2.2.2.9 A(1)(g) NMAC, the audited financial statements of the Agency for the year ended June 30, 2023 were due to the New Mexico Office of the State Auditor by December 15, 2023.

*Effect:* The City is not in compliance with the report due date prescribed in the New Mexico Administrative Code. Additionally, late audits have the potential to impact the City’s ability to maintain its bond rating.

*Cause:* Due to the Global COVID-19 pandemic and the implementation of a new ERP system Tyler Munis on 7/1/2019, the Fiscal Year 2020 audit was submitted to the State Auditor’s Office on 9/22/2021, 9 months after the due date of 12/15/2020. This created delays in starting the City’s FY21 audit. The FY20 external audit firm, CliftonLarsonAllen, was contracted to perform the FY21 audit; however, that firm withdrew from the FY21 audit engagement in April of 2022. Shortly thereafter there was turnover in the Finance Director position and other key finance positions.

*Auditor’s Recommendation:* The City should continue to work with its consultant to catch up its financial reporting and records to allow for the completion of the 2024 and future audits. It is also recommended that the City do its best to maintain a consistent leadership team in order to stabilize the finance department into the future.

**State of New Mexico**  
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**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS (Continued)**

**2023-013 (2019-020) – Late Audit Report (Other Noncompliance) (repeated/modified) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding and acted on multiple fronts to catch up on its annual financial statement audits. With the submission of the FY23 audit the City has submitted three audits (FY21, FY22 and FY23) to the Office of the State Auditor in the 10.5-month period from June 30, 2023 to May 15, 2024. City Finance staff believe that the City is on track to submit the FY24 audit timely by the State Auditor’s Office due date.

Due to the Global COVID-19 pandemic and the implementation of a new ERP system Tyler MUNIS on 7/1/2019, the Fiscal Year 2020 audit was submitted to the State Auditor’s Office on 9/22/2021, 9 months after the due date of 12/15/2020. This created delays in starting the City’s FY21 audit. The FY20 external audit firm was contracted to perform the FY21 audit; however, that firm withdrew from the FY21 audit engagement in April 2022. Shortly thereafter there was turnover in the Finance Director position, and there were several other finance position vacancies that slowed progress on the FY21 audit.

The City contracted with a new independent public accounting firm on September 6, 2022 to conduct both the FY21 and FY22 audits. A contract with the same firm to perform the FY23 audit was executed in October 2023.

Additionally, the City strengthened its finance leadership team by hiring qualified individuals into the Finance Director, Accounting Officer, Controller, Chief Procurement Officer, and Payroll Officer positions. The City continues to search for individuals to fill staff and first-line supervisor accounting positions. The City’s recent implementation of a new compensation and classification study and a new pay play is resulting in more interest from jobseekers and the Finance Department is on track to end FY24 with its lowest vacancy rate in several years. To assist with the workload of completing the FY21, FY22, and FY23 audits on a compressed timeline, the City also contracted with CliftonLarsonAllen (CLA) for consulting services including audit preparation and operational support.

In January 2023, the City successfully completed a major upgrade of the Tyler Munis ERP system from version 2011.3 to version 2019.1. The newer version of Munis offers enhanced functionality and greater ability to interface with other critical IT systems such as the Kronos employee timekeeping system and the UCIS Utility Billing System.

*Responsible Official:* Finance Director, Accounting Officer, and Controller.

*Timeline and Estimated Completion Date:* May 15, 2024

**State of New Mexico**  
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**SECTION V – PRIOR YEAR AUDIT FINDINGS**

2022-001 (originally 2019-007) – Schedule of Expenditures of Federal Awards and Internal Controls over Grant Reporting – Repeated/Modified

2022-002 (originally 2017-001) – Internal Controls over Financial Close and Reporting – Repeated/Modified as 2023-002

2022-003 (originally 2020-004) – Controls over Journal Entries – Resolved

2022-004 (originally 2020-008) – Controls over Cash Balances – Repeated/Modified as 2023-003

2022-005 – Controls over Payroll – Resolved

2022-006 (originally 2021-009) – Matching and Financial Reporting – Repeated/Modified as 2023-007

2022-007 – Activities allowed, Allowable Costs over Non-Payroll – Resolved

2022-008 – Reporting – Resolved

2022-009 (originally 2020-011) – Controls over Accounts Payable – Resolved

2022-010 (originally 2021-017) – Pledged Collateral – Repeated/Modified as 2023-008

2022-011 (originally 2021-018) – Emergency Procurement – Resolved

2022-012 (originally 2020-021) – Budgetary Compliance – Repeated/Modified as 2023-009

2022-013 (originally 2021-020) – Cash Appropriations in Excess of Available Cash Balances – Repeated/Modified as 2023-010

2022-014 – Capital Assets – Resolved

2022-015 – Bank Account authorized signers – Repeated/Modified as 2023-012

2022-016 (originally 2021-010) – Wage Rate Clauses in Construction Contracts – Resolved

2022-017 (originally 2019-020) – Late Audit Report – Repeated/Modified as 2023-013

**State of New Mexico  
City of Santa Fe  
Other Disclosures  
June 30, 2023**

**EXIT CONFERENCE**

An exit conference was held on May 14, 2024. In attendance were the following:

**Representing the City of Santa Fe:**

Alan Webber	Mayor
Randy Grissom	Chair – Audit Committee
Carol Romero-Wirth	City Councilor
John Blair	City Manager
Layla Archuleta-Maestas	Assistant City Manager
Emily Oster, CPA, CGMA, CPO	Finance Director
Alexis Lotero	Assistant Finance Director
Matthew Bonifer	Accounting Officer
Josie Bolden	Controller
Chris Zaucha	Contractor
Joan Scholz	Contractor
Andres Gamez	Contractor

**Representing Carr, Riggs & Ingram, LLC:**

Alan D. "A.J." Bowers, Jr., CPA, CITP	Partner
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**Representing the New Mexico Office of the State Auditor**

Joseph M. Maestas, P.E., CFE	New Mexico State Auditor
David Craig	Director of Government Accountability Office

**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.