

**CITY OF SANTA FE, NEW MEXICO**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**CITY OF SANTA FE, NEW MEXICO  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2021**

<b>OFFICIAL ROSTER</b>	<b>v</b>
<b>FINANCIAL SECTION</b>	
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)</b>	<b>4</b>
<b>BASIC FINANCIAL STATEMENTS</b>	<b>14</b>
<b>STATEMENT OF NET POSITION</b>	<b>14</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>15</b>
<b>BALANCE SHEET – GOVERNMENTAL FUNDS</b>	<b>16</b>
<b>RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION</b>	<b>17</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS</b>	<b>18</b>
<b>RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES</b>	<b>19</b>
<b>STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (GAAP BUDGETARY BASIS) – GENERAL FUND</b>	<b>20</b>
<b>STATEMENT OF NET POSITION – ENTERPRISE FUNDS</b>	<b>22</b>
<b>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – ENTERPRISE FUNDS</b>	<b>24</b>
<b>STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS</b>	<b>25</b>
<b>STATEMENT OF FIDUCIARY NET POSITION</b>	<b>27</b>
<b>STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS</b>	<b>28</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>29</b>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	

**CITY OF SANTA FE, NEW MEXICO  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2021**

<b>SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – PERA MUNICIPAL GENERAL DIVISION</b>	<b>70</b>
<b>SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – PERA MUNICIPAL POLICE DIVISION</b>	<b>70</b>
<b>SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – PERA MUNICIPAL FIRE DIVISION</b>	<b>71</b>
<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS – PERA MUNICIPAL GENERAL DIVISION</b>	<b>72</b>
<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS – PERA MUNICIPAL POLICE DIVISION</b>	<b>72</b>
<b>SCHEDULE OF EMPLOYER CONTRIBUTIONS – PERA MUNICIPAL FIRE DIVISION</b>	<b>73</b>
<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>	<b>74</b>
<b>SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY</b>	<b>75</b>
<b>SCHEDULE OF THE CITY'S OPEB CONTRIBUTIONS</b>	<b>76</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS</b>	<b>78</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS</b>	<b>79</b>
<b>SPECIAL REVENUE FUNDS</b>	<b>80</b>
<b>COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS</b>	<b>82</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS</b>	<b>89</b>
<b>CAPITAL PROJECTS FUNDS</b>	<b>96</b>
<b>COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS</b>	<b>97</b>

**CITY OF SANTA FE, NEW MEXICO  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2021**

<b>COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS – CAPITAL PROJECTS FUNDS</b>	<b>100</b>
<b>NONMAJOR ENTERPRISE FUNDS</b>	<b>103</b>
<b>COMBINING STATEMENT OF NET POSITION – NONMAJOR ENTERPRISE FUNDS</b>	<b>104</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – NONMAJOR ENTERPRISE FUNDS</b>	<b>106</b>
<b>COMBINING STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUNDS</b>	<b>108</b>
<b>INTERNAL SERVICE FUNDS</b>	<b>110</b>
<b>COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS</b>	<b>111</b>
<b>COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS</b>	<b>113</b>
<b>COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS</b>	<b>115</b>
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
<b>SCHEDULE OF DEPOSITS AND INVESTMENTS</b>	<b>118</b>
<b>SCHEDULE OF PLEDGED COLLATERAL (MARKET VALUE)</b>	<b>119</b>
<b>SCHEDULE OF JOINT POWER AGREEMENTS</b>	<b>120</b>
<b>SINGLE AUDIT SECTION</b>	
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>122</b>
<b>NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	<b>124</b>
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b>	<b>125</b>
<b>INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</b>	<b>127</b>

**CITY OF SANTA FE, NEW MEXICO  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2021**

<b>SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS</b>	<b>130</b>
<b>SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS</b>	<b>167</b>
<b>EXIT CONFERENCE</b>	<b>169</b>

**CITY OF SANTA FE, NEW MEXICO  
OFFICIAL ROSTER  
JUNE 30, 2021**

**MAYOR**

Alan M. Webber

**CITY COUNCIL**

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

**CITY MANAGER**

Jarel LaPan Hill

**FINANCE DEPARTMENT**

Mary T. McCoy  
Finance Director

Alexis Lotero  
Assistant Finance Director

Bradley Fluetsch, CFA  
Financial Planning and Reporting Officer

Deborah Harris-Garamendia  
Accounting Officer

Clayton Pelletier  
Controller

Fran Dunaway  
Chief Procurement Officer

Andrew Hopkins  
Acting Budget Officer

Melanie Sharpe  
Payroll Manager

## **FINANCIAL SECTION**



Carr, Riggs & Ingram, LLC  
2424 Louisiana Boulevard NE  
Suite 300  
Albuquerque, NM 87110

505.883.2727  
505.884.6719 (fax)  
CRlcpa.com

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of the City of Santa Fe, New Mexico (the "City"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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



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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of the City, as of June 30, 2021, 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.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 4 through 13, the GASB required pension schedules on pages 70 through 74, and the GASB required other post-employment benefit schedules on pages 75 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

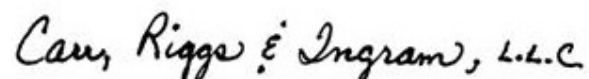
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The official roster, combining nonmajor fund financial statements, schedule of deposit and investment accounts, schedule of pledged collateral (market value), schedule of joint power agreements, the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and exit conference are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, schedule of deposit and investment accounts, schedule of pledged collateral (market value), schedule of joint power agreements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, schedule of deposit and investment accounts, schedule of pledged collateral (market value), schedule of joint power agreements, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The official roster and exit conference have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2023, 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 to solely 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  
June 30, 2023

**CITY OF SANTA FE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2021**

As management of the City of Santa Fe ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021.

**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 \$555 Million (*net position including Business-Type Activities*).
- The City's total assets and deferred outflows increased by \$60 Million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$145,258,271 which is an increase of \$44,085,829 in comparison with the prior year.
- Of the total governmental fund balances of \$145,258,271, less than 1%, or \$308,912 is considered nonspendable and \$145,317,490, is restricted, committed or assigned. At the end of the current fiscal year, the unassigned fund balance is \$(368,131).
- The City's total long-term liabilities increased by \$26,149,674.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

**CITY OF SANTA FE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2021**

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

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

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

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

The City maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the ½% Gross Receipt Tax Fund, and the Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

**CITY OF SANTA FE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2021**

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 68 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 \$554,583,126 at the close of the most recent fiscal year.

City of Santa Fe's  
NET POSITION  
June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 172,808,039	\$ 140,024,726	\$ 151,157,875	\$ 155,686,773	\$ 323,965,914	\$ 295,711,499
Capital Assets	319,988,881	323,927,182	412,231,678	410,525,533	732,220,559	734,452,715
Deferred Outflows of Resources	45,936,810	20,811,205	15,087,867	6,673,063	61,024,677	27,484,268
Total Assets and Deferred Outflows of Resources	538,733,730	484,763,113	578,477,420	572,885,369	1,117,211,150	1,057,648,482
Long-Term Liabilities	304,475,838	273,504,425	193,231,862	198,053,601	497,707,700	471,558,026
Other Liabilities	22,880,045	27,977,836	9,437,309	12,471,543	32,317,354	40,449,379
Deferred Inflows of Resources	24,181,765	31,475,081	8,421,205	10,779,054	32,602,970	42,254,135
Total Liabilities and Deferred Inflows of Resources	351,537,648	332,957,342	211,090,376	221,304,198	562,628,024	554,261,540
Net Position:						
Net Investment in Capital Assets	203,502,582	213,911,218	280,765,835	301,872,296	484,268,417	515,783,514
Restricted	97,158,400	71,159,336	1,368,455	1,367,582	98,526,855	72,526,918
Unrestricted (deficit)	(113,464,900)	(133,264,783)	85,252,754	48,341,293	(28,212,146)	(84,923,490)
Total Net Position	\$ 187,196,082	\$ 151,805,771	\$ 367,387,044	\$ 351,581,171	\$ 554,583,126	\$ 503,386,942

**CITY OF SANTA FE, NEW MEXICO**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**JUNE 30, 2021**

The City's investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment) is \$484,268,417 is presented net of related outstanding debt used to acquire those capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position amounting to \$98,526,855, or 17.8%, represents resources that are subject to external restrictions on how they may be used.

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

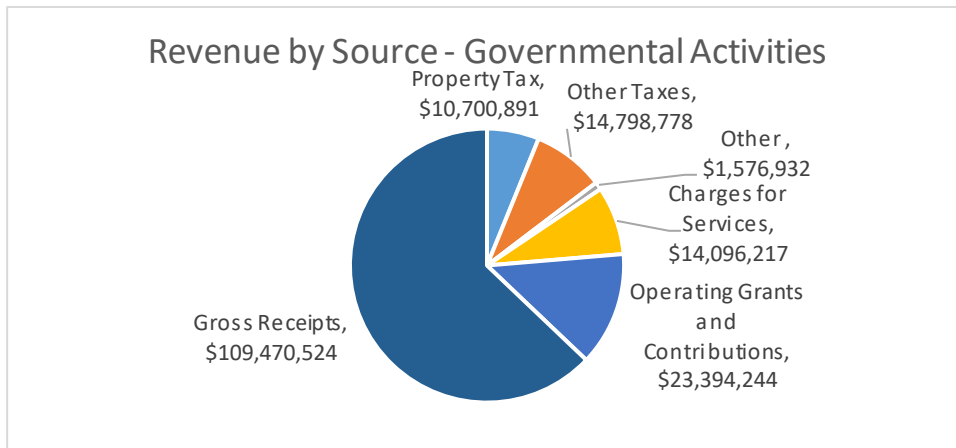
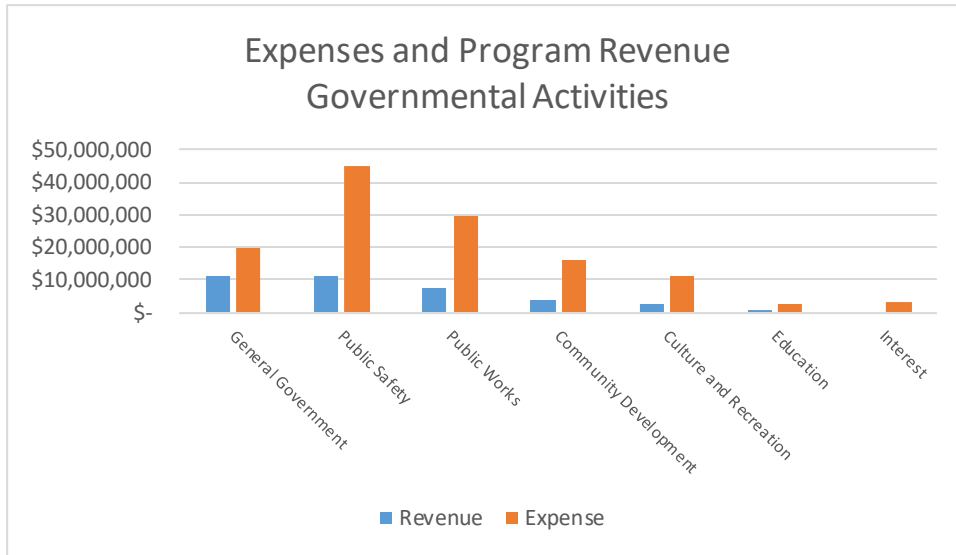
**City of Santa Fe**  
**Changes in Net Position**  
**For Fiscal Year Ending June 30, 2021 and 2020**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 14,096,217	\$ 21,756,808	\$ 74,568,848	\$ 75,703,617	\$ 88,665,065	\$ 97,460,425
Operating Grants and Contributions	23,394,244	6,062,226	13,748,771	2,906,023	37,143,015	8,968,249
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues						
Gross Receipts Tax	109,470,524	110,226,633	4,757,172	4,902,969	114,227,696	115,129,602
Other Taxes	25,499,669	27,621,003	-	-	25,499,669	27,621,003
Other	1,576,932	3,466,732	217,565	446,353	1,794,497	3,913,085
<b>Total Revenues</b>	<b>174,037,586</b>	<b>169,133,402</b>	<b>93,292,356</b>	<b>83,958,962</b>	<b>267,329,942</b>	<b>253,092,364</b>
<b>Expenses:</b>						
General Government	19,717,672	39,892,724	-	-	19,717,672	39,892,724
Public Safety	44,739,831	50,414,736	-	-	44,739,831	50,414,736
Public Works	29,609,263	19,778,915	-	-	29,609,263	19,778,915
Community Development	16,376,620	9,425,984	-	-	16,376,620	9,425,984
Culture and Recreation	11,031,781	16,263,337	-	-	11,031,781	16,263,337
Education	2,475,780	2,595,792	-	-	2,475,780	2,595,792
Interest on Long-Term Debt	3,090,322	2,842,048	-	-	3,090,322	2,842,048
Wastewater Management	-	-	10,318,781	9,685,812	10,318,781	9,685,812
Water Management	-	-	38,757,740	35,646,342	38,757,740	35,646,342
Environmental Services	-	-	13,034,307	12,025,629	13,034,307	12,025,629
College of Santa Fe	-	-	4,670,812	12,820,298	4,670,812	12,820,298
Santa Fe Convention Center	-	-	4,058,369	4,717,623	4,058,369	4,717,623
All Other Proprietary Funds	-	-	21,222,362	23,398,929	21,222,362	23,398,929
<b>Total Expenses</b>	<b>127,041,269</b>	<b>141,213,536</b>	<b>92,062,371</b>	<b>98,294,633</b>	<b>219,103,640</b>	<b>239,508,169</b>
Increase (Decrease) in Net Position						
Before Transfers:	46,996,317	27,919,866	1,229,985	(14,335,671)	48,226,302	13,584,195
Transfers Net	(14,238,895)	(22,868,916)	14,238,895	22,868,916	-	-
<b>Increase (Decrease) in Net Position</b>	<b>32,757,422</b>	<b>5,050,950</b>	<b>15,468,880</b>	<b>8,533,245</b>	<b>48,226,302</b>	<b>13,584,195</b>
Beginning Balance	151,805,771	146,754,821	351,581,171	343,047,926	503,386,942	489,802,747
Restatement of Net Position	2,632,889	-	336,993	-	2,969,882	-
Ending Balance	<u>\$ 187,196,082</u>	<u>\$ 151,805,771</u>	<u>\$ 367,387,044</u>	<u>\$ 351,581,171</u>	<u>\$ 554,583,126</u>	<u>\$ 503,386,942</u>

The City's net position increased by \$48,226,302 during the current fiscal year. This growth largely reflects decreases in operating expenses.

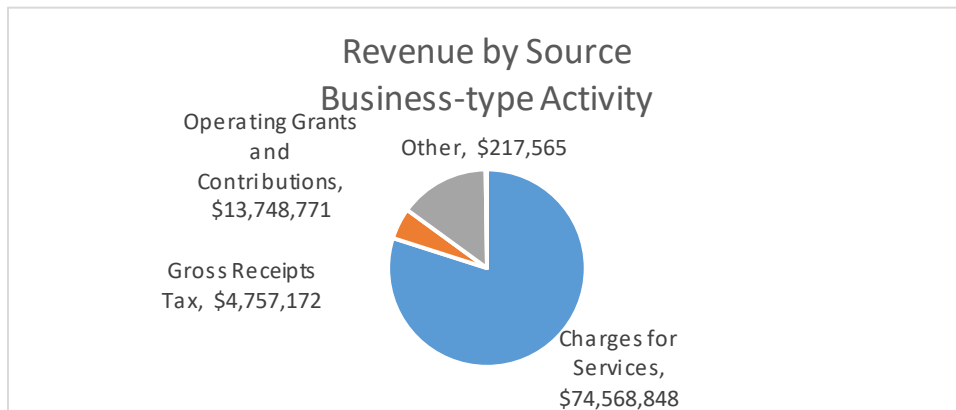
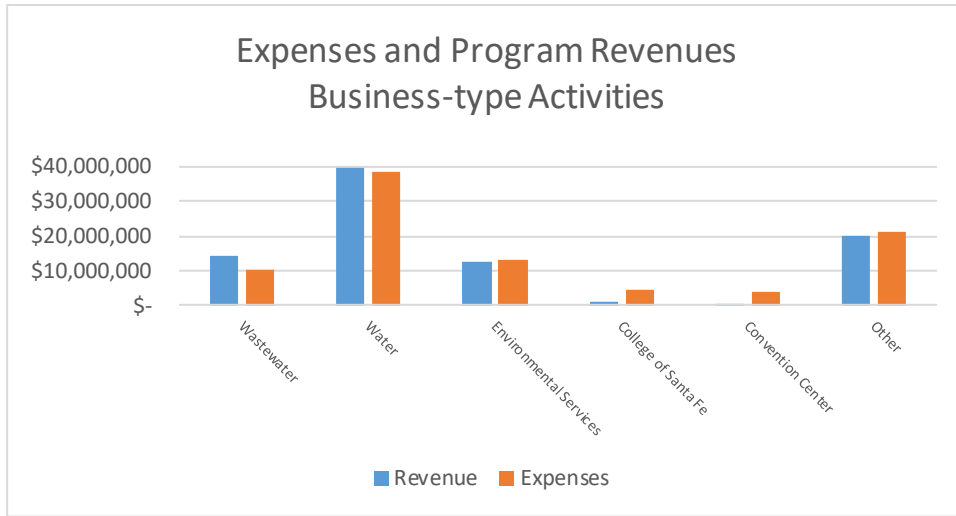
**CITY OF SANTA FE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2021**

**Governmental activities.** The governmental activities increased the City's net position in total by \$32,757,422. This was due primarily to an increase in deferred outflows related to pension and other post-employment benefits expenses. The majority of the taxes are provided by a gross receipts tax (GRT) levied on goods and services in the amount of \$109,470,524. This was a slight decrease from the gross receipts tax revenues received in 2020 in the amount of \$756,109.



**CITY OF SANTA FE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2021**

**Business-type activities.** Business-type activities (not including Internal Service Funds) increased in net position by \$15,468,880, primarily due increases in operating grants. In funds where revenues exceed operating expenses, rate revenues are set at a level that in combination with net position support long term capital investment programs and maintenance of prudent reserves. Much of the accumulated cash in the Water, Wastewater, Convention Center and other business type activities are being used for large capital projects in progress.



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



**CITY OF SANTA FE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2021**

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

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$145,258,271, an increase of \$44,085,829 in comparison with the prior year.

Unlike government-wide financial statements debt is not included in fund financial statements and expenditures for capital assets are not capitalized. Expenditures of fund balances and revenues in special revenue funds, capital project funds and debt related funds are generally subject to legal restrictions that limit use of those funds to specific purposes. The balance in those funds are considered spendable as are amounts set aside by the City Council to provide funding for economic uncertainties and contingencies or liabilities not accrued in the fund balance sheet under the principles of modified accrual accounting. The General Fund is the chief operating fund for the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,502,823 while total fund balance was \$49,586,762. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 7.9 percent of total expenditures and fund balance represents 60 percent of total expenditures.

The fund balance of the City's General Fund increased by \$19,333,868 during the current fiscal year, a key factor was an increase in revenues.

The Debt Service fund has a total fund balance of \$1,563,800.

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

Net position at the end of the year amounted to \$367,387,044. Change in net position for enterprise funds was \$15,468,880.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- \$2,405,967 decrease in general government
- \$2,539,761 decrease in public safety
- \$3,022,798 decrease in public works
- \$ 240,754 increase in community development
- \$ 561,466 decrease in culture and recreation
- \$ 487,890 decrease in education

The decrease in budgeted revenues covered some of the budgeted decreases; however, cash balances funded the difference, which included carryover commitments from the prior fiscal year.

**CITY OF SANTA FE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2021**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The City's capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$732,220,559 (net of accumulated depreciation). Capital assets includes land, buildings and systems, improvements, machinery and equipment, vehicles, infrastructure, and park facilities. The total decrease in the City's net capital assets for the current fiscal year was less than 1%.

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

- Construction in progress in various City facilities totaled \$63,879,777 including both governmental-type and business-type funds.
- General City projects in progress included street paving, signalization, river channel improvements, park improvements, building renovations, and street traffic calming projects.

**City of Santa Fe's Capital Assets  
(Net of Depreciation)  
For Fiscal Year Ending June 30, 2021 and 2020**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land and Water Rights	\$ 169,939,946	\$ 169,939,946	\$ 41,695,537	\$ 41,695,537	\$ 211,635,483	\$ 211,635,483
Construction in Progress	8,586,315	7,804,360	55,293,462	31,691,944	63,879,777	39,496,304
Art	885,046	885,046	219,971	219,971	1,105,017	1,105,017
Buildings and Structures	39,692,051	40,935,264	222,871,184	230,381,665	262,563,235	271,316,929
Improvements	32,599,971	38,497,583	15,514,684	22,761,821	48,114,655	61,259,404
Sewerlines and Utility Systems	-	-	62,823,280	67,758,658	62,823,280	67,758,658
Equipment and Machinery	6,880,099	4,751,447	3,981,049	3,725,758	10,861,148	8,477,205
Furniture and Fixtures	102,490	53,433	35,060	18,240	137,550	71,673
Vehicles	10,348,305	8,323,413	9,732,122	12,214,211	20,080,427	20,537,624
Data Processing and Software	3,110,472	2,309,525	65,329	57,728	3,175,801	2,367,253
Traffic Signals	128,735	158,264	-	-	128,735	158,264
Streets and Bridges	47,715,451	50,268,901	-	-	47,715,451	50,268,901
Total	<u>\$ 319,988,881</u>	<u>\$ 323,927,182</u>	<u>\$ 412,231,678</u>	<u>\$ 410,525,533</u>	<u>\$ 732,220,559</u>	<u>\$ 734,452,715</u>

**CITY OF SANTA FE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2021**

**Long-term debt**

At the end of the current fiscal year, the City had total outstanding debt of \$229,375,814. Of this amount, governmental activity related debt consisted of \$72,010,500 in debt backed by gross receipts tax revenues and lodgers tax, \$17,718,927 in outstanding revenue-backed loans, and \$17,885,000 in outstanding property tax supported general obligation debt. In addition, business type debt backed by specified operational revenue sources consisted of \$87,984,500 in bonds and \$33,776,887 in loans.

**City of Santa Fe's Outstanding Debt  
Revenue Bonds, General Obligation Bonds, & Loans  
For Fiscal Year Ending June 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue Bonds	\$ 72,010,500	\$ 79,903,000	\$ 87,984,500	\$ 97,627,000	\$ 159,995,000	\$ 177,530,000
General Obligation	17,885,000	19,130,000	-	-	17,885,000	19,130,000
Loans	17,718,927	588,766	33,776,887	36,236,225	51,495,814	36,824,991
Total	\$ 107,614,427	\$ 99,621,766	\$ 121,761,387	\$ 133,863,225	\$ 229,375,814	\$ 233,484,991

As of June 30, 2021, the City had no outstanding issues insured. Underlying ratings for the different types of debt issues by the City are:

Bond Type	S&P/Fitch June 30, 2021	S&P/Fitch June 30, 2020
General Obligation	AA+/AA+	AA+/AA+
Senior Lien Gross Receipts Tax	AA+/AA+	AA+/AA+
Water System Revenues	AAA/AA+	AAA/AA+
Subordinate Lien Gross Receipts Tax	AA/AA+	AA/AA+
Waste Water System Revenues	AA+/AA+	AA+/AA+

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable assessed valuation. The current debt limitation for the City is approximately \$181 million, which is significantly in excess of the City's total outstanding general obligation bond debt of \$17,885,000 at June 30, 2021.

**CITY OF SANTA FE, NEW MEXICO  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2021**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City of Santa Fe had been enjoying unprecedented economic success until February 2020, when the impact of the COVID-19 pandemic started affecting economic activities. The City implemented prudent actions despite having little to no information regarding the depth and breadth of the pandemic's economic effects. As such, Gross Receipts Tax exceeded the budget by three million dollars, mainly due to a settlement with various retailers made with NM TRD. Other taxes also declined, namely Lodgers' Tax and Property Tax.

- The June unemployment rate for metropolitan Santa Fe was 10.6 percent, up from 4.7 percent in June of 2019. The State's 2020 unemployment rate for the same period was 9.0 percent, up from June 2019's 4.9 percent, with the June 2020 national rate of 11.0 up from the June 2019 rate of 3.6 percent (source: NM Department of Workforce Solutions and Bureau of Labor Statistics).
- The combined median sales price for single-family homes, condominiums and townhomes in the City reached \$396,500 in June 2020, a 10.6 percent increase over the same period in 2019.
- The dollar value of construction permits grew \$75.1 million, to a total of \$364,332,813 in FY 2020. The total number of permits also decreased 382 permits to a total of 6,419 permits, a 5.6 percent decrease.
- Lodgers Tax collections decreased for the first time in the past seven years, down 20.6 percent or \$1,737,726 from Fiscal Year 2019, for a total of \$10,522,776 in Fiscal Year 2020.
- Gross Receipts Tax received by the City grew by \$4,250,631 or 3.8 percent over 2019 levels to \$115.1 million in FY 2020.

**Requests for Information**

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

**CITY OF SANTA FE, NEW MEXICO**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash, Investments, and Cash Equivalents	\$ 100,097,489	\$ 123,197,341	\$ 223,294,830
Receivables, Net of Allowance for Uncollectibles	27,272,761	13,011,294	40,284,055
Internal Balances	(597,303)	597,303	-
Inventories	85,567	385,226	470,793
Prepaid Expenses	-	331,266	331,266
Restricted Assets:			
Cash, Investments, and Cash Equivalents	44,397,489	1,368,455	45,765,944
Interest Receivable	5,343	2,108	7,451
Intergovernmental Receivable	1,546,693	12,264,882	13,811,575
Capital Assets:			
Land, Land Rights, and Water Rights	169,939,946	41,695,537	211,635,483
Construction in Progress	8,586,315	55,293,462	63,879,777
Art	885,046	219,971	1,105,017
Depreciable Capital Assets, Net of Accumulated Depreciation:			
Buildings and Structures	66,300,489	328,519,680	394,820,169
Improvements	105,511,000	155,107,321	260,618,321
Sewerlines and Utility Systems	-	166,078,679	166,078,679
Equipment and Machinery	20,453,547	18,432,278	38,885,825
Furniture and Fixtures	499,056	656,843	1,155,899
Vehicles	33,581,267	39,370,670	72,951,937
Intangible Plant	-	-	-
Data Processing Equipment/Software	10,497,251	2,459,262	12,956,513
Traffic Signals	23,517,339	-	23,517,339
Streets and Bridges	228,553,058	-	228,553,058
Accumulated Depreciation	(348,335,433)	(395,602,025)	(743,937,458)
Total Assets	<u>492,796,920</u>	<u>563,389,553</u>	<u>1,056,186,473</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflow Related to OPEB Activity	11,440,667	4,000,972	15,441,639
Deferred Outflow Related to Pension Activity	34,496,143	11,086,895	45,583,038
Total Deferred Outflows of Resources	<u>45,936,810</u>	<u>15,087,867</u>	<u>61,024,677</u>
<b>LIABILITIES</b>			
Accounts Payable	3,789,299	2,301,088	6,090,387
Other Noncurrent Liabilities	18,351,760	6,307,716	24,659,476
Accrued Interest Payable	664,903	343,966	1,008,869
Unearned Revenue	74,083	484,539	558,622
Long-Term Liabilities:			
Net Pension Liability	138,077,347	44,377,393	182,454,740
Net OPEB Liability	45,021,855	15,744,815	60,766,670
Due Within One Year	11,352,305	10,930,812	22,283,117
Due in More Than One Year	110,024,331	122,178,842	232,203,173
Total Liabilities	<u>327,355,883</u>	<u>202,669,171</u>	<u>530,025,054</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unamortized Gain on Refund of Bonds	-	65,270	65,270
Deferred Inflows Related to OPEB Activity	20,622,768	7,212,090	27,834,858
Deferred Inflows Related to Pension Activity	3,558,997	1,143,845	4,702,842
Total Deferred Inflows of Resources	<u>24,181,765</u>	<u>8,421,205</u>	<u>32,602,970</u>
<b>NET POSITION (DEFICIT)</b>			
Net Investment in Capital Assets	203,502,582	280,765,835	484,268,417
Restricted for:			
Endowment - Nonexpendable	308,912	-	308,912
Debt Service	1,563,800	-	1,563,800
Compliance	-	1,368,455	1,368,455
General Fund State Mandated Cash Balance	43,030,683	-	43,030,683
General Government	21,924,552	-	21,924,552
Public Safety	4,447,035	-	4,447,035
Public Works	16,127,619	-	16,127,619
Community Development	7,274,787	-	7,274,787
Culture and Recreation	2,481,012	-	2,481,012
Unrestricted (deficit)	<u>(113,464,900)</u>	<u>85,252,754</u>	<u>(28,212,146)</u>
Total Net Position	<u>\$ 187,196,082</u>	<u>\$ 367,387,044</u>	<u>\$ 554,583,126</u>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>						
Governmental Activities:						
General Government	\$ 19,717,672	\$ 7,650,037	\$ 3,721,472	\$ (8,346,163)	\$ -	\$ (8,346,163)
Public Safety	44,739,831	2,766,881	8,444,103	(33,528,848)	-	(33,528,848)
Public Works	29,609,263	1,831,149	5,588,391	(22,189,724)	-	(22,189,724)
Community Development	16,376,620	1,012,792	3,090,889	(12,272,939)	-	(12,272,939)
Culture and Recreation	11,031,781	682,247	2,082,115	(8,267,418)	-	(8,267,418)
Education	2,475,780	153,112	467,274	(1,855,395)	-	(1,855,395)
Interest on Long-Term Debt	3,090,322	-	-	(3,090,322)	-	(3,090,322)
Total Governmental Activities	127,041,269	14,096,217	23,394,244	(89,550,808)	-	(89,550,808)
Business-Type Activities:						
Wastewater Management	10,318,781	14,311,290	17,014	-	4,009,523	4,009,523
Water Management	38,757,740	39,588,272	26,088	-	856,620	856,620
Santa Fe Convention Center	4,058,369	129,441	38,848	-	(3,890,080)	(3,890,080)
College of Santa Fe	4,670,812	966,459	-	-	(3,704,353)	(3,704,353)
Environmental Services	13,034,307	12,890,812	8,920	-	(134,575)	(134,575)
Municipal Recreation Complex	963,549	1,075,888	4,457	-	116,796	116,796
Parking Fund	2,799,154	2,831,266	94,144	-	126,256	126,256
Railyard Properties	2,638,664	924,091	981	-	(1,713,592)	(1,713,592)
Airport	3,246,209	1,324,001	4,783,138	-	2,860,930	2,860,930
Transit System	7,821,097	283,525	8,662,530	-	1,124,958	1,124,958
Genoveva Chavez Community Center	3,753,689	243,803	112,651	-	(3,397,235)	(3,397,235)
Total Business-Type Activities	92,062,371	74,568,848	13,748,771	-	(3,744,752)	(3,744,752)
Total Primary Government	\$ 219,103,640	\$ 88,665,065	\$ 37,143,015	(89,550,808)	(3,744,752)	(93,295,560)
<b>General Revenues and Transfers</b>						
Property Taxes				10,700,891	-	10,700,891
Gross Receipts Taxes				109,470,524	4,757,172	114,227,696
Lodger Taxes				7,536,026	-	7,536,026
Franchise Taxes				5,196,786	-	5,196,786
Motor Fuel Taxes				2,065,966	-	2,065,966
Investment Earnings				61,925	116,799	178,724
Other General Revenue				1,515,007	(74,234)	1,440,773
Gain on Sale of Capital Assets				-	175,000	175,000
Transfers				(14,238,895)	14,238,895	-
Total General Revenues and Transfers				122,308,230	19,213,632	141,521,862
Change in Net Position				32,757,422	15,468,880	48,226,302
Net Position - Beginning of Year				151,805,771	351,581,171	503,386,942
Restatement of Net Position, Note 16				2,632,889	336,993	2,969,882
Net Position - Beginning of Year, as Restated				154,438,660	351,918,164	506,356,824
Net Position - End of Year				\$ 187,196,082	\$ 367,387,044	\$ 554,583,126

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Major Funds			Other Nonmajor Funds	Total Governmental Funds
	General Fund	Debt Service	1/2% Gross Receipts Tax		
<b>ASSETS</b>					
Cash and Investments	\$ -	\$ 452,588	\$ 7,459,652	\$ 81,362,445	\$ 89,274,685
Cash Restricted for Debt Service Payments	-	1,111,150	-	-	1,111,150
Cash Restricted for State-Mandated Cash Balances	43,030,683	-	-	-	43,030,683
Cash Restricted for Endowment	-	-	-	255,656	255,656
Receivables:					
State-Shared Taxes	8,454,027	-	-	540,470	8,994,497
Local Taxes	5,677,507	-	3,624,647	3,188,876	12,491,030
Property Taxes	701,432	-	-	-	701,432
Motor	-	-	-	144,251	144,251
Interest	4,144	62	100	772	5,078
Ambulance, Net of Allowances	585,121	-	-	-	585,121
Grants, Restricted	52,893	-	-	1,493,800	1,546,693
Other Receivables, Net	305,316	-	-	4,034,500	4,339,816
Due from Other Funds	3,633,121	-	533,175	16,465,126	20,631,422
Supplies Inventory	53,256	-	-	-	53,256
<b>Total Assets</b>	<b>\$ 62,497,500</b>	<b>\$ 1,563,800</b>	<b>\$ 11,617,574</b>	<b>\$ 107,485,896</b>	<b>\$ 183,164,770</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>					
Liabilities:					
Accounts Payable	\$ 1,151,667	\$ -	\$ 169,417	\$ 1,799,245	\$ 3,120,329
Pooled Cash - Cash Overdrawn	-	-	-	15,173	15,173
Accrued Wages Payable	4,056,974	-	43,411	393,633	4,494,018
Due to Other Funds	1,437,063	-	18,247,219	1,544,443	21,228,725
Unearned Revenue	74,083	-	-	-	74,083
Deposits and Escrow	5,338,703	-	-	467,021	5,805,724
Gross Receipts Taxes Payable	4,226	-	-	-	4,226
Other Current Liabilities	500,153	-	-	51,498	551,651
<b>Total Liabilities</b>	<b>12,562,869</b>	<b>-</b>	<b>18,460,047</b>	<b>4,271,013</b>	<b>35,293,929</b>
Deferred Inflows of Resources:					
Unavailable Revenue	347,869	-	-	2,264,701	2,612,570
<b>Total Deferred Inflows of Resources</b>	<b>347,869</b>	<b>-</b>	<b>-</b>	<b>2,264,701</b>	<b>2,612,570</b>
Fund Balance (Deficit):					
Nonspendable	53,256	-	-	255,656	308,912
Restricted	43,030,683	1,563,800	-	52,255,005	96,849,488
Committed	-	-	-	1,961,421	1,961,421
Assigned	-	-	-	46,506,581	46,506,581
Unassigned	6,502,823	-	(6,842,473)	(28,481)	(368,131)
<b>Total Fund Balance (Deficit)</b>	<b>49,586,762</b>	<b>1,563,800</b>	<b>(6,842,473)</b>	<b>100,950,182</b>	<b>145,258,271</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)</b>	<b>\$ 62,497,500</b>	<b>\$ 1,563,800</b>	<b>\$ 11,617,574</b>	<b>\$ 107,485,896</b>	<b>\$ 183,164,770</b>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

Total Governmental Fund Balances	\$ 145,258,271
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (excluding Internal Service Funds).	319,170,855
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in funds:	
Deferred Outflows of Resources	43,588,284
Deferred Inflows of Resources	(22,876,284)
The internal service fund is used by management to charge the costs of workers' compensation, health insurance, other postemployment benefit costs to individual funds, and services to other funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	(5,046,208)
Deferred inflows of unavailable revenue included at fund level	2,612,570
Certain liabilities, including bonds and notes payable and current and long-term portions of accrued compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued Interest	(664,903)
Accrued Compensated Absences in Governmental Funds	(4,619,232)
Net Pension/OPEB Liability (Excluding Internal Service Funds)	(173,740,972)
Bonds and Notes Payable	(116,486,299)
Net Position of Governmental Activities	\$ 187,196,082

See accompanying Notes to Financial Statements.



**CITY OF SANTA FE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Major Funds			Other Nonmajor Funds	Total Governmental Funds
	General Fund	Debt Service	1/2% Gross Receipts Tax		
<b>REVENUES</b>					
Gross Receipts Taxes	\$ 71,097,448	\$ -	\$ 19,027,578	\$ 19,345,498	\$ 109,470,524
Motor Taxes	469,728	-	-	1,596,238	2,065,966
Lodgers' Taxes	-	-	-	7,536,026	7,536,026
Property Taxes	9,101,143	1,599,748	-	-	10,700,891
Franchise	5,127,107	-	-	69,679	5,196,786
Licenses and Permits	3,874,686	-	-	53,945	3,928,631
Fees and Charges for Services	7,832,544	-	-	5,542,677	13,375,221
Fines and Forfeitures	143,404	-	-	78,376	221,780
Intergovernmental:					
Federal	-	-	-	1,534,508	1,534,508
State	8,476,923	-	9,098	13,373,715	21,859,736
Local	22,943	-	-	44,848	67,791
Rents, Royalties, and Concessions	4,260	-	-	232,276	236,536
Investment Income (Loss)	22,701	2,909	2,623	26,771	55,004
Other Revenues	116,300	18,628	-	1,057,122	1,192,050
Total Revenues	<u>106,289,187</u>	<u>1,621,285</u>	<u>19,039,299</u>	<u>50,491,679</u>	<u>177,441,450</u>
<b>EXPENDITURES</b>					
Current:					
Salaries, Wages, and Fringe Benefits	60,349,045	-	1,427,735	7,965,782	69,742,562
Contractual Services and Utilities	9,082,887	-	-	15,443,215	24,526,102
Repairs and Maintenance	679,847	-	274,130	371,775	1,325,752
Supplies	2,086,734	-	174,050	2,986,111	5,246,895
Capital Outlay - Inventory-Exempt Items	3,632	-	367,566	876,244	1,247,442
Insurance Premiums	2,939,037	-	-	95,657	3,034,694
Other	6,371,167	15,997	404,891	2,533,305	9,325,360
Total Current Expenditures	<u>81,512,349</u>	<u>15,997</u>	<u>2,648,372</u>	<u>30,272,089</u>	<u>114,448,807</u>
Capital Outlay	791,782	-	600,422	11,218,148	12,610,352
Debt Service:					
Principal Payments	-	9,252,233	-	-	9,252,233
Interest	-	4,395,162	-	-	4,395,162
Bond Issuance Costs	-	7,429	-	163,828	171,257
Total Expenditures	<u>82,304,131</u>	<u>13,670,821</u>	<u>3,248,794</u>	<u>41,654,065</u>	<u>140,877,811</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	23,985,056	(12,049,536)	15,790,505	8,837,614	36,563,639
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	7,621,688	12,383,001	1,482,000	14,051,773	35,538,462
Transfers Out	(12,272,876)	(2,396,656)	(13,893,907)	(16,705,699)	(45,269,138)
Proceeds from Sale of Capital Assets	-	-	-	7,972	7,972
Bond Proceeds	-	-	-	17,244,894	17,244,894
Total Other Financing Sources (Uses)	<u>(4,651,188)</u>	<u>9,986,345</u>	<u>(12,411,907)</u>	<u>14,598,940</u>	<u>7,522,190</u>
<b>NET CHANGE IN FUND BALANCE</b>	19,333,868	(2,063,191)	3,378,598	23,436,554	44,085,829
Fund Balances - Beginning of Year	29,489,650	3,626,991	(10,221,071)	77,513,628	100,409,198
Restatement of Net Position, Note 16	763,244	-	-	-	763,244
Fund Balances - Beginning of Year, as Restated	<u>30,252,894</u>	<u>3,626,991</u>	<u>(10,221,071)</u>	<u>77,513,628</u>	<u>101,172,442</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 49,586,762</u>	<u>\$ 1,563,800</u>	<u>\$ (6,842,473)</u>	<u>\$ 100,950,182</u>	<u>\$ 145,258,271</u>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances - Total Government Funds \$ 44,085,829

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

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

Capital Expenditures Recorded in Capital Outlay (Excluding Internal Service Funds)	12,610,352
Depreciation Expense (Excluding Internal Service Funds)	(14,884,300)
Transfer of Assets to Enterprise Activities	(4,301,500)
Disposal of Capital Assets	7,862

The internal service fund is used by management to charge the costs of certain activities, such as insurance, to the individual funds. The net expense of the internal service fund is reported with governmental activities. (1,032,155)

Funds transferred out of the internal service fund increase financial resources at the governmental fund level, but have not effect on the statement of activities as the internal service fund is included in governmental activities in the statement of activities. (206,719)

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

Principal Payments on Bonds and Loans	9,252,233
Proceeds from the Issuance of Bonds	(17,244,894)
Amortization of Bond Premiums and Discounts	1,522,326

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

Net Effect of Pension/OPEB Entries on Statement of Activities	7,245,099
---	-----------

Expenses in the statement of activities that do not require financial resources are not reported as expenditures in the fund:

Change in Revenue not Available for Current Resources	(3,733,742)
Decrease in Accrued Compensated Absences (Excluding Internal Service Funds)	(516,740)
Decrease in Accrued Interest	(46,229)

Net Change in Net Position - Governmental Activities \$ 32,757,422

**CITY OF SANTA FE, NEW MEXICO  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL (GAAP BUDGETARY BASIS)  
YEAR ENDED JUNE 30, 2021**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>REVENUES</b>				
Taxes:				
State-Shared Taxes:				
Gross Receipts	\$ 24,769,066	\$ 20,565,252	\$ 28,289,933	\$ 7,724,681
Motor	446,492	371,779	469,728	97,949
Gasoline	-	-	-	-
Total State-Shared Taxes	<u>25,215,558</u>	<u>20,937,031</u>	<u>28,759,661</u>	<u>7,822,630</u>
Local Taxes:				
Gross Receipts	46,213,147	38,733,297	42,807,515	4,074,218
Property	<u>11,157,228</u>	<u>10,041,506</u>	<u>9,101,143</u>	<u>(940,363)</u>
Total Local Taxes	<u>57,370,375</u>	<u>48,774,803</u>	<u>51,908,658</u>	<u>3,133,855</u>
Regulatory Fees:				
Franchise	5,292,033	4,498,228	5,127,107	628,879
Total Fees	<u>5,292,033</u>	<u>4,498,228</u>	<u>5,127,107</u>	<u>628,879</u>
Other Revenues:				
Licenses and Permits	4,430,688	3,264,161	3,874,686	610,525
Intergovernmental State	611,555	644,055	8,476,923	7,832,868
Intergovernmental Local	84,624	84,624	22,943	(61,681)
Fees and Charges for Services	10,189,212	8,696,140	7,832,544	(863,596)
Fines and Forfeitures	273,314	191,320	143,404	(47,916)
Rents, Royalties, and Concessions	25,745	12,110	4,260	(7,850)
Investment Income	80,964	8,096	22,701	14,605
Other Revenues	<u>53,845</u>	<u>96,993</u>	<u>116,300</u>	<u>19,307</u>
Total Other Revenue	<u>15,749,947</u>	<u>12,997,499</u>	<u>20,493,761</u>	<u>7,496,262</u>
Total Revenues	<u>103,627,913</u>	<u>87,207,561</u>	<u>106,289,187</u>	<u>19,081,626</u>
<b>EXPENDITURES</b>				
Current:				
General Government:	17,573,603	15,155,085	13,964,448	1,190,637
Public Safety	44,426,564	43,136,963	39,747,963	3,389,000
Public Works	23,560,788	21,175,738	19,512,094	1,663,644
Community Development	1,502,474	1,743,228	1,606,273	136,955
Culture and Recreation	5,123,653	4,564,387	4,205,791	358,596
Education	<u>3,174,761</u>	<u>2,686,871</u>	<u>2,475,780</u>	<u>211,091</u>
Total Current	<u>95,361,843</u>	<u>88,462,272</u>	<u>81,512,349</u>	<u>6,949,923</u>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL (GAAP BUDGETARY BASIS) (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
<b>EXPENDITURES (CONTINUED)</b>				
Capital Outlay:				
General Government	\$ 23,500	\$ 36,051	\$ 104,887	\$ (68,836)
Public Safety	1,639,112	388,952	680,055	(291,103)
Public Works	663,398	25,650	6,328	19,322
Community Development	-	-	-	-
Culture and Recreation	4,400	2,200	512	1,688
Education	-	-	-	-
Total Capital Outlay	<u>2,330,410</u>	<u>452,853</u>	<u>791,782</u>	<u>(338,929)</u>
Total Expenditures	<u>97,692,253</u>	<u>88,915,125</u>	<u>82,304,131</u>	<u>6,610,994</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	5,935,660	(1,707,564)	23,985,056	25,692,620
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,979,908	7,678,688	7,621,688	(57,000)
Transfers Out	(5,718,785)	(12,272,876)	(12,272,876)	-
Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>(3,738,877)</u>	<u>(4,594,188)</u>	<u>(4,651,188)</u>	<u>(57,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,196,783	(6,301,752)	19,333,868	<u>\$ 25,635,620</u>
Fund Balances - Beginning of Year, as restated	<u>12,796,809</u>	<u>(5,217,246)</u>	<u>30,252,894</u>	
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 14,993,592</u>	<u>\$ (11,518,998)</u>	<u>\$ 49,586,762</u>	

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO**  
**STATEMENT OF NET POSITION – ENTERPRISE FUNDS**  
**JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds						Total	Governmental Activities - Internal Service Funds
	Waste Water Management	Water Management	Environmental Services	Santa Fe Convention Center	College of Santa Fe	Nonmajor Enterprise Funds		
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>								
Current Assets:								
Cash, Investments, and Cash Equivalents	\$ 34,687,976	\$ 61,464,290	\$ 20,906,297	\$ 4,698,093	\$ 441,123	\$ 3,605,288	\$ 125,803,067	\$ 12,846,315
Restricted Cash, Cash Equivalents, and Investments:								
Restricted for Compliance	428,233	397,951	306,982	86,211	376	148,702	1,368,455	-
Grants Receivable	-	727,089	-	-	-	11,537,793	12,264,882	-
Receivable								
State-Shared Taxes	453,081	-	453,081	-	-	-	906,162	-
Accounts, Net of Allowances	2,233,211	5,843,895	1,945,021	-	-	1,225,817	11,247,944	2,837
Interest Receivable	673	797	293	106	20	219	2,108	265
Notes Receivable	163,615	-	-	218,321	-	-	381,936	-
Other Receivable	53	131,832	55	-	-	343,312	475,252	13,777
Prepaid Expense	-	331,266	-	-	-	-	331,266	-
Due from Other Funds	73,278	-	563,260	-	-	-	636,538	-
Inventory	-	385,226	-	-	-	-	385,226	32,311
Total Current Assets	<u>38,040,120</u>	<u>69,282,346</u>	<u>24,174,989</u>	<u>5,002,731</u>	<u>441,519</u>	<u>16,861,131</u>	<u>153,802,836</u>	<u>12,895,505</u>
Capital Assets:								
Land and Water Rights	25,498	5,907,639	-	-	11,164,785	24,597,615	41,695,537	-
Buildings and Structures	28,817,899	126,512,488	355,096	48,210,342	42,268,949	82,354,906	328,519,680	-
Sewerlines and Utility Systems	32,164,309	132,839,817	1,044,733	-	-	29,820	166,078,679	-
Improvements	31,359,635	43,937,827	1,133,395	336,738	-	78,339,726	155,107,321	10,518
Furniture and Fixtures	4,370	553,317	4,056	26,715	-	68,385	656,843	54,620
Equipment and Machinery	2,151,553	6,888,909	543,715	688,338	-	8,159,763	18,432,278	6,812
Vehicles	3,386,879	2,171,116	16,481,427	54,531	-	17,276,717	39,370,670	35,829
Data Processing Equipment/Software	260,996	1,119,654	80,951	94,117	-	903,544	2,459,262	659,679
Art	-	-	-	39,000	-	180,971	219,971	-
Construction in Progress	27,693,674	9,167,955	-	-	216,862	18,214,971	55,293,462	215,133
Less: Accumulated Depreciation	<u>(82,573,733)</u>	<u>(155,126,942)</u>	<u>(13,644,968)</u>	<u>(15,228,391)</u>	<u>(14,488,439)</u>	<u>(114,539,552)</u>	<u>(395,602,025)</u>	<u>(164,565)</u>
Total Capital Assets, Net Accumulated Depreciation	<u>43,291,080</u>	<u>173,971,780</u>	<u>5,998,405</u>	<u>34,221,390</u>	<u>39,162,157</u>	<u>115,586,866</u>	<u>412,231,678</u>	<u>818,026</u>
Deferred Outflows of Resources:								
Deferred Outflows Related to Pension/OPEB Activity	<u>2,250,010</u>	<u>3,931,008</u>	<u>2,486,638</u>	<u>541,929</u>	<u>67,944</u>	<u>5,810,338</u>	<u>15,087,867</u>	<u>2,348,526</u>
Total Deferred Outflows of Resources	<u>2,250,010</u>	<u>3,931,008</u>	<u>2,486,638</u>	<u>541,929</u>	<u>67,944</u>	<u>5,810,338</u>	<u>15,087,867</u>	<u>2,348,526</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 83,581,210</u>	<u>\$ 247,185,134</u>	<u>\$ 32,660,032</u>	<u>\$ 39,766,050</u>	<u>\$ 39,671,620</u>	<u>\$ 138,258,335</u>	<u>\$ 581,122,381</u>	<u>\$ 16,062,057</u>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO**  
**STATEMENT OF NET POSITION – ENTERPRISE FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds						Total	Governmental Activities - Internal Service Funds
	Waste Water Management	Water Management	Environmental Services	Santa Fe Convention Center	College of Santa Fe	Nonmajor Enterprise Funds		
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>								
Current Liabilities:								
Accounts Payable	\$ 162,299	\$ 535,376	\$ 75,483	\$ 151,252	\$ 99,426	\$ 1,277,252	\$ 2,301,088	\$ 668,970
Gross Receipts Taxes Payable	(24,766)	283,504	180,835	-	-	7,019	446,592	-
Compensated Absence Payable	-	-	-	-	-	-	-	-
Accrued Wages Payable	213,955	346,740	245,860	45,164	6,946	604,633	1,463,298	197,304
Claims and Judgment Payable	-	-	-	-	-	-	-	7,298,837
Bonds Payable, Net of Amortized Discounts	2,388,690	1,197,689	1,213,639	3,086,133	-	1,987,720	9,873,871	-
Notes Payable	-	873,891	183,050	-	-	-	1,056,941	-
Accrued Interest Payable	59,451	120,394	11,246	41,831	62,599	48,445	343,966	-
Unearned Revenue	-	-	-	300,000	16,667	167,872	484,539	-
Pooled Cash - Cash Overdrawn	-	-	-	-	-	2,605,726	2,605,726	2,008,338
Other Liabilities	-	2,571,781	252,906	-	-	1,086	2,825,773	-
Due to Other Funds	39,235	-	-	-	-	-	39,235	-
Customer Deposits Payable	13,700	1,273,420	-	196,111	23,332	65,490	1,572,053	-
<b>Total Current Liabilities</b>	<b>2,852,564</b>	<b>7,202,795</b>	<b>2,163,019</b>	<b>3,820,491</b>	<b>208,970</b>	<b>6,765,243</b>	<b>23,013,082</b>	<b>10,173,449</b>
Noncurrent Liabilities:								
Bonds Payable, Net of Unamortized Discounts	15,168,720	34,865,671	1,095,000	19,091,152	-	17,529,772	87,750,315	-
Notes Payable	-	7,653,658	392,044	-	21,905,000	2,768,744	32,719,446	-
Compensated Absences Payable	249,828	528,397	303,038	24,655	-	603,163	1,709,081	271,105
Net Pension Liability	6,604,567	11,539,480	7,289,154	1,590,919	198,725	17,154,548	44,377,393	6,896,270
Net OPEB Liability	2,361,063	4,124,431	2,619,199	568,514	71,998	5,999,610	15,744,815	2,461,960
<b>Total Noncurrent Liabilities</b>	<b>24,384,178</b>	<b>58,711,637</b>	<b>11,698,435</b>	<b>21,275,240</b>	<b>22,175,723</b>	<b>44,055,837</b>	<b>182,301,050</b>	<b>9,629,335</b>
<b>Total Liabilities</b>	<b>27,236,742</b>	<b>65,914,432</b>	<b>13,861,454</b>	<b>25,095,731</b>	<b>22,384,693</b>	<b>50,821,080</b>	<b>205,314,132</b>	<b>19,802,784</b>
Deferred Inflows of Resources:								
Unamortized Gain on Refunding of Bonds	28,483	-	-	-	-	36,787	65,270	-
Deferred Inflows Related to Pension/OPEB Activity	1,251,748	2,186,676	1,387,634	301,421	38,101	3,190,355	8,355,935	1,305,481
<b>Total Deferred Inflows of Resources</b>	<b>1,280,231</b>	<b>2,186,676</b>	<b>1,387,634</b>	<b>301,421</b>	<b>38,101</b>	<b>3,227,142</b>	<b>8,421,205</b>	<b>1,305,481</b>
Net Position:								
Net Investment in Capital Assets	25,705,187	129,380,871	3,114,672	12,044,105	17,257,157	93,263,843	280,765,835	818,026
Restricted for Debt Service	-	-	-	-	-	-	-	-
Restricted for Compliance	428,233	397,951	306,982	86,211	376	148,702	1,368,455	-
Unrestricted	28,930,817	49,305,204	13,989,290	2,238,582	(8,707)	(9,202,432)	85,252,754	(5,864,234)
<b>Total Net Position</b>	<b>55,064,237</b>	<b>179,084,026</b>	<b>17,410,944</b>	<b>14,368,898</b>	<b>17,248,826</b>	<b>84,210,113</b>	<b>367,387,044</b>	<b>(5,046,208)</b>
<b>Total Liabilities, Deferred Inflows, and Net Position</b>	<b>\$ 83,581,210</b>	<b>\$ 247,185,134</b>	<b>\$ 32,660,032</b>	<b>\$ 39,766,050</b>	<b>\$ 39,671,620</b>	<b>\$ 138,258,335</b>	<b>\$ 581,122,381</b>	<b>\$ 16,062,057</b>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds	
	Waste Water Management	Water Management	Environmental Services	Santa Fe Convention Center	College of Santa Fe	Nonmajor Enterprise Funds		Total
<b>OPERATING REVENUES</b>								
User Fees, Net of Allowance	\$ 14,178,852	\$ 39,373,539	\$ 12,622,553	\$ 95,086	\$ -	\$ 4,646,266	\$ 70,916,296	\$ -
Facilities Rentals	101,251	112,341	266,000	23,930	966,457	386,269	1,856,248	-
Other Revenues/Premiums	31,187	102,392	2,259	10,425	2	1,650,039	1,796,304	121,207
Premiums	-	-	-	-	-	-	-	33,220,878
Total Operating Revenues	<u>14,311,290</u>	<u>39,588,272</u>	<u>12,890,812</u>	<u>129,441</u>	<u>966,459</u>	<u>6,682,574</u>	<u>74,568,848</u>	<u>33,342,085</u>
<b>OPERATING EXPENSES</b>								
Salaries, Wages, and Fringe Benefits	2,234,270	5,279,734	3,719,450	825,326	355,031	6,297,117	18,710,928	3,086,128
Contractual Services and Utilities	1,008,999	3,244,915	3,227,415	407,690	954,433	1,711,850	10,555,302	3,125,215
Repairs and Maintenance	449,551	483,466	645,317	64,820	588,629	713,299	2,945,082	409,593
Supplies	408,988	556,215	269,923	70,020	6,753	890,505	2,202,404	1,842,514
Capital Outlay - Inventory-Exempt Items	71,207	1,123,707	2,993	35,913	-	155,474	1,389,294	133,979
Depreciation Expense	1,927,437	10,232,301	1,684,813	1,065,198	1,687,943	7,152,036	23,749,728	66,560
Insurance	398,478	265,063	315,681	49,288	327,820	513,536	1,869,866	2,744,337
Claims and Judgments	-	-	-	-	-	-	-	23,065,138
Other	3,345,276	16,291,896	3,170,185	868,203	-	3,094,284	26,769,844	230,654
Total Operating Expenses	<u>9,844,206</u>	<u>37,477,297</u>	<u>13,035,777</u>	<u>3,386,458</u>	<u>3,920,609</u>	<u>20,528,101</u>	<u>88,192,448</u>	<u>34,704,118</u>
Operating Income (Loss)	4,467,084	2,110,975	(144,965)	(3,257,017)	(2,954,150)	(13,845,527)	(13,623,600)	(1,362,033)
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Investment Income	50,238	21,301	8,026	5,943	525	30,766	116,799	6,921
Intergovernmental:								
State-Shared Taxes	2,378,592	-	2,378,580	-	-	-	4,757,172	-
Federal	-	9,080	-	-	-	12,686,233	12,695,313	-
State	17,014	17,008	8,920	38,848	-	971,668	1,053,458	322,957
Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	175,000	175,000	-
Interest Expense	(474,575)	(1,280,443)	1,470	(671,911)	(750,203)	(694,261)	(3,869,923)	-
Other Nonoperating Revenue (Expense)	(1,773)	(14,701)	(1,170)	(18,850)	(22,507)	(15,233)	(74,234)	-
Total Nonoperating Revenues (Expenses)	<u>1,969,496</u>	<u>(1,247,755)</u>	<u>2,395,826</u>	<u>(645,970)</u>	<u>(772,185)</u>	<u>13,154,173</u>	<u>14,853,585</u>	<u>329,878</u>
Income (Loss) Before Transfers and Capital Contributions	6,436,580	863,220	2,250,861	(3,902,987)	(3,726,335)	(691,354)	1,229,985	(1,032,155)
Transfers:								
Transfers In	340,564	753,293	316,143	3,425,650	1,928,258	5,079,722	11,843,630	215,133
Capital Contributions	-	-	-	-	216,863	4,084,637	4,301,500	-
Transfers Out	(100,000)	(498,054)	(250,500)	(1,000)	-	(1,056,681)	(1,906,235)	(421,852)
Change in Net Position	6,677,144	1,118,459	2,316,504	(478,337)	(1,581,214)	7,416,324	15,468,880	(1,238,874)
Total Net Position - Beginning of Year	48,387,093	177,965,567	15,094,440	14,847,235	18,830,040	76,456,796	351,581,171	(3,807,334)
Restatement, Note 16	-	-	-	-	-	336,993	336,993	-
Net Position - Beginning of Year, as Restated	<u>48,387,093</u>	<u>177,965,567</u>	<u>15,094,440</u>	<u>14,847,235</u>	<u>18,830,040</u>	<u>76,793,789</u>	<u>351,918,164</u>	<u>(3,807,334)</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 55,064,237</u>	<u>\$ 179,084,026</u>	<u>\$ 17,410,944</u>	<u>\$ 14,368,898</u>	<u>\$ 17,248,826</u>	<u>\$ 84,210,113</u>	<u>\$ 367,387,044</u>	<u>\$ (5,046,208)</u>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO**  
**STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds						Total	Governmental Activities - Internal Service Funds
	Waste Water Management	Water Management	Environmental Services	Santa Fe Convention Center	College of Santa Fe	Nonmajor Enterprise Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Cash Received from Customers	\$ 14,112,777	\$ 49,461,639	\$ 12,515,901	\$ 440,747	\$ 966,459	\$ 6,158,596	\$ 83,656,119	\$ 33,392,624
Cash Payments to Suppliers for Goods and Services	(3,661,268)	(33,913,763)	(7,617,883)	(1,384,607)	(2,163,279)	(8,379,105)	(57,119,905)	(32,561,649)
Cash Payments to Employees for Services	(2,470,852)	(2,915,388)	(2,896,719)	(982,732)	(118,668)	(11,150,443)	(20,534,802)	(4,197,840)
Cash Paid for Interfund Services Provided	(2,156,772)	-	266,740	-	-	-	(1,890,032)	-
Net Cash Provided (Used) by Operating Activities	5,823,885	12,632,488	2,268,039	(1,926,592)	(1,315,488)	(13,370,952)	4,111,380	(3,366,865)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Intergovernmental Taxes and Grants	2,319,516	26,088	2,275,904	38,848	-	6,937,472	11,597,828	322,957
Transfers In from Other Funds	340,564	753,293	316,143	3,425,650	1,928,258	5,079,722	11,843,630	215,133
Transfers Out to Other Funds	(100,000)	(498,054)	(250,500)	(1,000)	-	(1,056,681)	(1,906,235)	(421,852)
Interfund Loan	-	-	-	-	-	-	-	2,008,338
Net Cash Provided (Used) by Noncapital Financing Activities	2,560,080	281,327	2,341,547	3,463,498	1,928,258	10,960,513	21,535,223	2,124,576
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Acquisition and Construction of Capital Assets	(11,021,171)	(3,174,059)	(275,215)	(100,194)	(216,862)	(10,663,864)	(25,451,365)	(826,200)
Proceeds from Sale of Capital Assets	-	-	-	-	-	177,704	177,704	-
Contributed Capital	-	-	-	-	216,863	4,084,637	4,301,500	-
Principal Paid on Revenue Bond Maturities and Notes Payable	(2,500,864)	(2,054,096)	(1,349,366)	(2,578,584)	(905,000)	(3,265,904)	(12,653,814)	-
Interest Paid on Revenue Bonds and Notes Payable	(990,268)	(1,299,594)	(3,846)	(678,990)	(774,529)	(985,872)	(4,733,099)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(14,512,303)	(6,527,749)	(1,628,427)	(3,357,768)	(1,679,528)	(10,653,299)	(38,359,074)	(826,200)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest and Dividends on Investments	81,789	58,665	21,774	(7,937)	1,466	39,984	195,741	54,101
Net Cash Provided (Used) by Investing Activities	81,789	58,665	21,774	(7,937)	1,466	39,984	195,741	54,101
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(6,046,549)	6,444,731	3,002,933	(1,828,799)	(1,065,292)	(13,023,754)	(12,516,730)	(2,014,388)
Cash, Investments, and Cash Equivalents - Beginning of Year	41,162,758	55,417,510	18,210,346	6,613,103	1,506,791	14,172,018	137,082,526	14,860,703
<b>CASH, INVESTMENTS, AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 35,116,209</b>	<b>\$ 61,862,241</b>	<b>\$ 21,213,279</b>	<b>\$ 4,784,304</b>	<b>\$ 441,499</b>	<b>\$ 1,148,264</b>	<b>\$ 124,565,796</b>	<b>\$ 12,846,315</b>
Cash, Investments, and Cash Equivalents Restricted for Compliance	34,687,976	61,464,290	20,906,297	4,698,093	441,123	999,562	123,197,341	12,846,315
	428,233	397,951	306,982	86,211	376	148,702	1,368,455	-
Total	<b>\$ 35,116,209</b>	<b>\$ 61,862,241</b>	<b>\$ 21,213,279</b>	<b>\$ 4,784,304</b>	<b>\$ 441,499</b>	<b>\$ 1,148,264</b>	<b>\$ 124,565,796</b>	<b>\$ 12,846,315</b>

See accompanying Notes to Financial Statements.



**CITY OF SANTA FE, NEW MEXICO**  
**STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds	
	Waste Water Management	Water Management	Environmental Services	Santa Fe Convention Center	College of Santa Fe	Nonmajor Enterprise Funds		Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>								
Operating Income (Loss)	\$ 4,467,084	\$ 2,110,975	\$ (144,965)	\$ (3,257,017)	\$ (2,954,150)	\$ (13,845,527)	\$ (13,623,600)	\$ (1,362,033)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Depreciation/Amortization/Bad Debt Expense	1,927,437	10,232,301	1,684,813	1,065,198	1,687,943	7,152,036	23,749,728	66,560
Difference between Deferred Outflows Related to Pensions and OPEB	(1,268,215)	(2,540,354)	(1,522,866)	(293,312)	(67,944)	(2,722,113)	(8,414,804)	(109,543)
Difference between Deferred Inflows Related to Pensions and OPEB	(323,002)	(45,039)	(158,250)	(97,388)	38,101	(1,718,911)	(2,304,489)	(37,406)
Difference Between Net Pension/OPEB Liability	1,389,556	4,931,940	2,471,319	240,933	270,723	(312,318)	8,992,153	(1,042,535)
Change in Assets and Liabilities:								
(Increase) Decrease in Accounts Receivable	(502,262)	(1,110,473)	(374,912)	-	-	(184,343)	(2,171,990)	82,850
(Increase) Decrease in Other Receivable	-	(65,637)	1	-	-	(339,635)	(405,271)	-
(Increase) Decrease in Prepaid Expenses	-	20,556	-	-	-	-	20,556	-
(Increase) Decrease in Due from Other Funds	292,592	801,376	266,740	-	-	-	1,360,708	-
Increase (Decrease) in Accounts Payable	(53,521)	(895,861)	(111,065)	95,190	(285,644)	505,159	(745,742)	(177,329)
Increase (Decrease) in Gross Receipts Tax Payable	(82,420)	107,122	124,696	-	-	133	149,531	-
Increase (Decrease) in Compensated Absences Payable	(26,505)	17,919	1,200	(12,279)	(6,021)	(88,166)	(113,852)	(8,272)
Increase (Decrease) in Accrued Wages Payable	(8,416)	(120)	31,328	4,640	1,504	(11,818)	17,118	(15,019)
Increase (Decrease) in Other Liabilities	-	(10,775)	-	-	-	(1,847,037)	(1,857,812)	-
Increase (Decrease) Customer Deposits	400	(916,687)	-	16,137	-	(6,382)	(906,532)	-
Increase (Decrease) Unearned Revenue	11,157	-	-	311,306	-	47,970	370,433	-
(Increase) Decrease in Inventory	-	(4,755)	-	-	-	-	(4,755)	(32,311)
Increase (Decrease) in Claims Payable	-	-	-	-	-	-	-	(731,827)
Increase (Decrease) in Due to Other Funds	-	-	-	-	-	-	-	-
Total Adjustments	<u>1,356,801</u>	<u>10,521,513</u>	<u>2,413,004</u>	<u>1,330,425</u>	<u>1,638,662</u>	<u>474,575</u>	<u>17,734,980</u>	<u>(2,004,832)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 5,823,885</u>	<u>\$ 12,632,488</u>	<u>\$ 2,268,039</u>	<u>\$ (1,926,592)</u>	<u>\$ (1,315,488)</u>	<u>\$ (13,370,952)</u>	<u>\$ 4,111,380</u>	<u>\$ (3,366,865)</u>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2021**

	<u>Custodial Fund</u>
	<u>External Investment Pool Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 50,047,367
Pooled Investment Funds	<u>6,957,013</u>
Total Assets	57,004,380
<b>FIDUCIARY NET POSITION</b>	
Held For:	
Santa Fe Solid Waste Management Agency	\$ 15,074,928
Buckman Direct Diversion Project	<u>41,929,452</u>
Total Fiduciary Net Position	<u><u>\$ 57,004,380</u></u>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**JUNE 30, 2021**

	<u>Custodial Fund</u>
	<u>External Investment Pool Fund</u>
<b>ADDITIONS:</b>	
Contributions:	
Members	\$ 23,073,954
BDD - Legal Settlement	36,000,000
Total Contributions	59,073,954
Investment Earnings:	
Net Increase (Decrease) in Fair Value	(907)
Interest Income	3,789
Total Investment Earnings	2,882
<b>DEDUCTIONS:</b>	
Distributions to Members	18,064,772
Total Deductions	18,064,772
<b>CHANGE IN FIDUCIARY NET POSITION</b>	41,012,064
Total Fiduciary Net Position - Beginning of Year	-
Restatement, Note 16	15,992,316
Total Fiduciary Net Position - Beginning of Year, As Restated	15,992,316
<b>TOTAL FIDUCIARY NET POSTION - END OF YEAR</b>	<b>\$ 57,004,380</b>

See accompanying Notes to Financial Statements.

**CITY OF SANTA FE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

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

**Government-Wide and Fund Financial Statements**

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual enterprise funds are reported as separate columns in the basic fund financial statement. The City has one custodial fund, an external investment pool fund, which represents the amounts held in the City's pooled cash on behalf of the BuckmanDirect 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.

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

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

CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The City reports the following major governmental funds:

- The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.
- The *1/2% Gross Receipts Tax Fund* is used to account for the City's portion of gross receipts taxes collected by the State of New Mexico per Ordinance No. 1981-45. The Ordinance dedicates ½ of 1 percent for capital improvements to City facilities and street and road construction and re-construction to include any future operating expenditures (i.e., personnel or administrative costs) necessitated by the expansion of the services and facilities to the public.

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The City reports the following major proprietary funds:

- The Waste Water Management Fund accounts for the operation of the City's waste water treatment and sewage system.
- The Water Management Fund accounts for the activities of the City's water supply, transmission, and distribution systems.
- The Environmental Services Fund accounts for the operation of the City's solid waste collection service.
- The 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.

Additionally, the City reports the following fund types:

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

As a general rule the effect of 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 utilities functions and insurance functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

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

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources  
and Net Position or Equity**

Deposits and Investments

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

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

City funds shall be invested in accordance with New Mexico Statute 6-10-10 and shall be equitably distributed among all banks and credit unions having their main or manned branch offices within the municipal boundaries and who are interested in doing business with the City, as directed by Statute 6-10-10, Paragraph C. Collateralization will be required on all deposits in excess of amounts insured by the Federal Deposit Insurance Corporation, or the National Credit Union Association. The collateralization level will be 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.

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Deposits and Investments (Continued)

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

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



**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Receivables and Payables

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

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

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

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

Inventories and Prepaid Items

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

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Inventories and Prepaid Items (Continued)

The City of Santa Fe is a party to a contract with the Bureau of Reclamation, United States of America which provides certain rights to purchase water from the San Juan Chama renewable water resource system. Per contract dating from 1976 and made permanent in 2006, the City of Santa Fe has rights to purchase 5,230 acre feet per year from the San Juan Chama system for which it pays a predetermined rate. The City may utilize the water in the year it purchases it or in a later year if utilization does not match the annual amount purchased. Amounts acquired in excess of those amounts utilized are recorded as prepaid water assets in the statement of net position. The amount recorded on June 30, 2021, was \$331,266.

Restricted Assets

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

Capital Assets

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

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

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Capital Assets (Continued)

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

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

Compensated Absences

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

Pensions/Other Post-Employment Benefits (OPEB)

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

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

**CITY OF SANTA FE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Long-Term Obligations

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

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

Fund Balance

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

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

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

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

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

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

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Fund Balance (Continued)**

Fund Balance Purpose	General	Debt Service	Gross Receipts Tax	Nonmajor Governmental Funds	Total
<b>NONSPENDABLE</b>					
Inventory	\$ 53,256	\$ -	\$ -	\$ -	\$ 53,256
Endowment				255,656	255,656
Restricted:					
Restricted General Government	43,030,683	-	-	21,924,552	64,955,235
Restricted Debt Service	-	1,563,800	-	-	1,563,800
Restricted Public Safety	-	-	-	4,447,035	4,447,035
Restricted Public Works	-	-	-	16,127,619	16,127,619
Restricted Community Development	-	-	-	7,274,787	7,274,787
Restricted Culture and Recreation	-	-	-	2,481,012	2,481,012
Committed:					
Committed General Government	-	-	-	1,093,809	1,093,809
Committed Culture and Recreation	-	-	-	867,612	867,612
Assigned:					
Assigned General Government	-	-	-	33,562,482	33,562,482
Assigned Public Safety	-	-	-	2,917,545	2,917,545
Assigned Public Works	-	-	-	5,958,852	5,958,852
Assigned Community Development	-	-	-	944,597	944,597
Assigned Culture and Recreation	-	-	-	3,123,105	3,123,105
Unassigned:					
Unassigned General Government	6,502,823	-	(6,842,473)	-	(339,650)
Unassigned Culture and Recreation	-	-	-	(28,481)	(28,481)
Total	<u>\$ 49,586,762</u>	<u>\$ 1,563,800</u>	<u>\$ (6,842,473)</u>	<u>\$ 100,950,182</u>	<u>\$ 145,258,271</u>

**Net Position**

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

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

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

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

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Use of Estimates

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

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

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

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

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

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

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

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

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**Budgetary Information (Continued)**

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

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

**Deficit Fund Equity**

The Internal Service funds have a combined deficit fund balance of \$5,046,234. This deficit is due to the accrual of accounts payable at the end of the year.

The Gross Receipts Tax fund has a deficit fund balance of \$10,221,071. This deficit is due to prior amounts owed to other funds.

**NOTE 3 DEPOSITS AND INVESTMENTS**

As of June 30, 2021, the City had the following deposits and investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>	<u>WAM (Days)</u>	<u>S&amp;P Rating</u>
Blackrock Prime Money Market	\$ 25,364,701	7.74 %	24	AAAm
Fidelity Prime Money Market	94	0.00	20	AAAm
JP Morgan Prime Money Market	26,998,763	8.24	25	AAAm
Wells Fargo Gov't Money Market	205,225,595	62.61	8	AAAm
Cash Accounts	29,376,450	8.96	NA	
CDs	791,947	0.24	NA	
Subtotal Deposits	<u>287,757,550</u>	<u>87.80</u>		
NM LGIP Account	<u>40,000,767</u>	<u>12.20</u>	48	AAAm
Subtotal Securities	<u>40,000,767</u>	<u>12.20</u>		
Total Investment Portfolio	<u>327,758,317</u>	100.00 %		
Unallocated Investment Earnings	<u>(1,693,163)</u>			
Pooled Cash Balances	<u>\$ 326,065,154</u>			

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

**Deposits**

Custodial Credit Risk

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

The City held uninsured deposits of \$33,783,356 at June 30, 2021, of which 51% resided at Wells Fargo Bank, the City's fiscal agent bank. All uninsured funds were collateralized in compliance with State of New Mexico statute. For purposes of collateral, these bank accounts include operating accounts, certificates of deposit and investment accounts.

	Uninsured Cash Balance	%
Wells Fargo Bank	\$ 17,192,712	50.89 %
Sterling National Bank	16,590,644	49.11 %
Total Collateralized	\$ 33,783,356	100.00 %

**Investments**

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

Interest Rate Risk

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 deposits to three years. The City uses duration as its measure of interest rate risk.



**CITY OF SANTA FE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

Credit Risk

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

The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. The City's investment policy specifies that the City shall diversify its investments to avoid a concentration of any one issuer, with the exception of the U.S. Treasury securities, in which the City may invest 100% of the portfolio. Money Market Funds, savings accounts, NM LGIP and cash accounts have no duration and these funds represent 100% of the total portfolio.

Fair Value Measurement

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

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

*Level 2* – Inputs to the valuation methodology include:

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

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

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

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)**

Fair Value Measurement (Continued)

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

The City invests in the New Mexico Local Government Investment Pool external local government investment pool (LGIP), which is managed by the New Mexico State Treasurer's Office. The investment pool is not registered with the SEC. The LGIP is valued using amortized cost. Deposits of the LGIP are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made as long as the City has a sufficient deposits to meet their redemption request. The New Mexico State Treasurer's Office can suspend the right of withdrawal or postpone the date of payment if the Trustees determine that there is an emergency that makes the sale of a portfolio's securities or determination of its net asset value not reasonably practical.

**NOTE 4 ACCOUNTS RECEIVABLE**

Receivables at June 30, 2021, for the City's individual major funds, nonmajor and internal service funds are separated into government and business type, including the applicable allowances for uncollectible accounts, and are as follows:

**Governmental Funds**

	General Fund	Debt Service	Gross Receipts Tax	Other Nonmajor Funds	Total
<b>RECEIVABLES</b>					
Taxes	\$ 14,832,966	\$ -	\$ 3,624,647	\$ 3,873,597	\$ 22,331,210
Grants	52,893	-	-	1,493,800	1,546,693
Interest	4,144	62	100	772	5,078
Ambulance	3,951,594	-	-	-	3,951,594
Other Revenues	305,316	-	-	5,458,313	5,763,629
Gross Receivables	19,146,913	62	3,624,747	10,826,482	33,598,204
Less: Uncollectible Allowance	(3,366,473)	-	-	(1,423,813)	(4,790,286)
Total Primary Government	<u>\$ 15,780,440</u>	<u>\$ 62</u>	<u>\$ 3,624,747</u>	<u>\$ 9,402,669</u>	<u>\$ 28,807,918</u>

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 ACCOUNTS RECEIVABLE (CONTINUED)**

**Business-Type Activities**

	Waste Water Management	Water Management	Environmental Services	Santa Fe Convention Center	College of Santa Fe	All Other Enterprise Funds	Total
<b>RECEIVABLES</b>							
Taxes	\$ 453,081	\$ -	\$ 453,081	\$ -	\$ -	\$ -	\$ 906,162
Grants	-	727,089	-	-	-	11,537,793	12,264,882
Accounts	2,416,158	5,843,895	2,115,097	-	-	1,634,692	12,009,842
Interest	673	797	293	106	20	219	2,108
Other Receivable	163,668	131,832	55	218,321	-	343,312	857,188
Gross Receivables	3,033,580	6,703,613	2,568,526	218,427	20	13,516,016	26,040,182
Less: Uncollectible Allowance	(182,947)	-	(170,076)	-	-	(408,875)	(761,898)
Total Business-Type	<u>\$ 2,850,633</u>	<u>\$ 6,703,613</u>	<u>\$ 2,398,450</u>	<u>\$ 218,427</u>	<u>\$ 20</u>	<u>\$ 13,107,141</u>	<u>\$ 25,278,284</u>

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 169,939,946	\$ -	\$ -	\$ 169,939,946
Construction in Progress	9,674,006	6,857,699	(7,945,390)	8,586,315
Art	885,046	-	-	885,046
Total Capital Assets Not Being Depreciated	<u>180,498,998</u>	<u>6,857,699</u>	<u>(7,945,390)</u>	<u>179,411,307</u>
Capital Assets Being Depreciated:				
Buildings and Systems	66,300,489	-	-	66,300,489
Improvements	104,751,587	759,413	-	105,511,000
Equipment and Machinery	17,234,643	3,218,904	-	20,453,547
Furniture and Fixtures	444,436	54,620	-	499,056
Vehicles	29,503,158	4,078,109	-	33,581,267
Data Processing and Software	9,226,495	1,270,756	-	10,497,251
Traffic Signals	23,517,339	-	-	23,517,339
Streets	223,559,376	591,497	-	224,150,873
Bridges	4,152,742	249,443	-	4,402,185
Total Capital Assets Being Depreciated	<u>478,690,265</u>	<u>10,222,742</u>	<u>-</u>	<u>488,913,007</u>
Less: Accumulated Depreciation for:				
Buildings and Systems	(25,365,225)	(1,243,213)	-	(26,608,438)
Improvements	(66,254,004)	(6,657,025)	-	(72,911,029)
Equipment and Machinery	(12,483,196)	(1,094,810)	4,558	(13,573,448)
Furniture and Fixtures	(391,003)	(5,563)	-	(396,566)
Vehicles	(21,179,745)	(2,053,217)	-	(23,232,962)
Data Processing and Software	(6,916,970)	(473,113)	3,304	(7,386,779)
Traffic Signals	(23,359,075)	(29,529)	-	(23,388,604)
Streets	(176,160,917)	(3,228,280)	-	(179,389,197)
Bridges	(1,282,300)	(166,110)	-	(1,448,410)
Total Accumulated Depreciation	<u>(333,392,435)</u>	<u>(14,950,860)</u>	<u>7,862</u>	<u>(348,335,433)</u>
Total Capital Assets Being Depreciated	<u>145,297,830</u>	<u>(4,728,118)</u>	<u>7,862</u>	<u>140,577,574</u>
Governmental Activities Capital Assets	<u>\$ 325,796,828</u>	<u>\$ 2,129,581</u>	<u>\$ (7,937,528)</u>	<u>\$ 319,988,881</u>

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 CAPITAL ASSETS (CONTINUED)**

<b>Business-Type Activities</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 38,260,558	\$ -	\$ -	\$ 38,260,558
Water Rights	3,434,979	-	-	3,434,979
Construction in Progress	31,691,944	23,628,388	(26,870)	55,293,462
Art	219,971	-	-	219,971
Total Capital Assets Not Being Depreciated	<u>73,607,452</u>	<u>23,628,388</u>	<u>(26,870)</u>	<u>97,208,970</u>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Structures	328,519,680	-	-	328,519,680
Improvements	154,699,479	407,842	-	155,107,321
Sewerlines and Utility Systems	166,078,679	-	-	166,078,679
Equipment and Machinery	17,413,334	1,018,944	-	18,432,278
Furniture and Fixtures	635,237	21,606	-	656,843
Vehicles	39,034,614	336,056	-	39,370,670
Data Processing and Software	2,420,743	38,519	-	2,459,262
Total Capital Assets Being Depreciated	<u>708,801,766</u>	<u>1,822,967</u>	<u>-</u>	<u>710,624,733</u>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Structures	(98,138,015)	(7,541,867)	31,386	(105,648,496)
Improvements	(131,937,658)	(7,654,979)	-	(139,592,637)
Sewerlines and Utility Systems	(98,320,021)	(4,935,378)	-	(103,255,399)
Equipment and Machinery	(13,687,576)	(763,653)	-	(14,451,229)
Furniture and Fixtures	(616,997)	(4,786)	-	(621,783)
Vehicles	(26,820,403)	(2,818,145)	-	(29,638,548)
Data Processing and Software	(2,363,015)	(30,918)	-	(2,393,933)
Total Accumulated Depreciation	<u>(371,883,685)</u>	<u>(23,749,726)</u>	<u>31,386</u>	<u>(395,602,025)</u>
Total Capital Assets Being Depreciated	<u>336,918,081</u>	<u>(21,926,759)</u>	<u>31,386</u>	<u>315,022,708</u>
Business-Type Activities Capital Assets	<u>\$ 410,525,533</u>	<u>\$ 1,701,629</u>	<u>\$ 4,516</u>	<u>\$ 412,231,678</u>

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

<b>Governmental Activities:</b>	
General Government	\$ 1,046,560
Public Safety	2,392,138
Public Works	7,026,904
Community Development	448,526
Culture and Recreation	4,036,732
Total Depreciation Expense - Governmental Activities	<u>\$ 14,950,860</u>
<b>Business-Type Activities:</b>	
Santa Fe Convention Center	\$ 1,065,198
Parking Operations	930,986
Environmental Services	1,684,813
Waste Water Management	1,927,437
Water Management	10,232,301
Municipal Recreation Center	281,005
Genoveva Chavez Community Center	835,667
Airport	1,343,264
Transit Operations	1,500,291
Railyard	2,260,823
College of Santa Fe	1,687,943
Total Depreciation Expense - Business-Type Activities	<u>\$ 23,749,728</u>

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 ENDOWMENT**

The City of Santa Fe Library Endowment fund, of which the \$255,000 principal must remain intact in perpetuity, was invested in a one-year certificate of deposit that matured in April 2021, and was renewed for another year at that time. The principal is invested to generate distributable income for the Southside Public Library to be used for library operations and maintenance of the building.

**NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The City has numerous interfund transactions during the course of the fiscal year. The summary of the transfer activity for the year ended June 30, 2021:

	Transfer In	Transfers Out						
		General Fund	Gross Receipts Tax	Debt Service	Other Nonmajor Funds	Enterprise Funds	Internal Service	Governmental Activities
General Fund	\$ 7,621,688	\$ -	\$ (15,000)	\$ -	\$ (7,422,288)	\$ (95,400)	\$ (89,000)	\$ -
Debt Service	12,383,001	-	(9,697,924)	-	(1,462,257)	(1,222,820)	-	-
Gross Receipts Tax	1,482,000	(1,482,000)	-	-	-	-	-	-
Other Nonmajor Funds	14,051,773	(8,539,860)	(1,299,751)	(2,396,656)	(1,054,000)	(503,654)	(257,852)	-
Enterprise Funds	16,145,130	(2,251,016)	(2,881,232)	-	(6,552,021)	(84,361)	(75,000)	(4,301,500)
Internal Service	215,133	-	-	-	(215,133)	-	-	-
<b>Total</b>	<b>\$ 51,898,725</b>	<b>\$ (12,272,876)</b>	<b>\$ (13,893,907)</b>	<b>\$ (2,396,656)</b>	<b>\$ (16,705,699)</b>	<b>\$ (1,906,235)</b>	<b>\$ (421,852)</b>	<b>\$ (4,301,500)</b>

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

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

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

The composition of interfund balances as of June 30, 2021, is as follows:

<b>Fund</b>	Due from Other Funds	Due to Other Funds
Business-Type Activities:		
Waste Water Management	\$ 73,278	\$ 39,235
Environmental Services	563,260	-
Governmental Activities:		
General Fund	3,633,121	1,437,063
Gross Receipts Tax	533,175	18,247,219
Nonmajor Funds	16,465,126	1,544,443
Total	\$ 21,267,960	\$ 21,267,960

**NOTE 8 LONG-TERM DEBT**

Long-term debt of the City at June 30, 2021, consisted of revenue bonds payable solely from gross receipts tax revenues, revenue bonds payable solely from revenues of enterprise funds, general obligation bonds payable from property tax revenues, notes payable from gross receipts tax revenues, notes payable from lodger's tax revenues, notes payable from revenues of enterprise funds, capital leases, and compensated absences payable.

**Bonds Payable**

The City has the following bonds outstanding at June 30, 2021:

	Governmental Activities					
	Outstanding June 30, 2020	Additions	Reductions	Outstanding June 30, 2021	Due Within One Year	Long-Term
GRT Senior Lien Revenue						
Series 2018 A	\$ 19,500,000	\$ -	\$ (525,000)	\$ 18,975,000	\$ 550,000	\$ 18,425,000
Series 2016 B	10,563,000	-	(3,377,500)	7,185,500	3,545,500	3,640,000
Series 2014	15,070,000	-	(455,000)	14,615,000	545,000	14,070,000
Series 2012 A	12,630,000	-	(1,895,000)	10,735,000	1,970,000	8,765,000
Subtotal	57,763,000	-	(6,252,500)	51,510,500	6,610,500	44,900,000
GRT Subordinate Lien Revenue						
Series 2016 D	1,690,000	-	(180,000)	1,510,000	190,000	1,320,000
Series 2013 B	11,790,000	-	(545,000)	11,245,000	565,000	10,680,000
Series 2018 Gas Tax	8,660,000	-	(915,000)	7,745,000	950,000	6,795,000
Subtotal	22,140,000	-	(1,640,000)	20,500,000	1,705,000	18,795,000
GO Bonds						
Series 2019	5,445,000	-	(450,000)	4,995,000	470,000	4,525,000
Series 2014	4,745,000	-	(230,000)	4,515,000	240,000	4,275,000
Series 2013	8,940,000	-	(565,000)	8,375,000	585,000	7,790,000
Subtotal	19,130,000	-	(1,245,000)	17,885,000	1,295,000	16,590,000
Bond Premiums (Discounts)	10,394,198	-	(1,522,326)	8,871,872	1,522,326	7,349,546
Total	\$ 109,427,198	\$ -	\$ (10,659,826)	\$ 98,767,372	\$ 11,132,826	\$ 87,634,546

**CITY OF SANTA FE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**Bonds Payable (Continued)**

	Business-Type Activities					
	Outstanding June 30, 2020	Additions	Reductions	Outstanding June 30, 2021	Due Within One Year	Long-Term
GRT Senior Lien Revenue						
Series 2016 A	\$ 3,135,000	\$ -	\$ (995,000)	\$ 2,140,000	\$ 1,045,000	\$ 1,095,000
Series 2016 B	4,487,000	-	(1,447,500)	3,039,500	1,519,500	1,520,000
Subtotal	<u>7,622,000</u>	<u>-</u>	<u>(2,442,500)</u>	<u>5,179,500</u>	<u>2,564,500</u>	<u>2,615,000</u>
GRT Subordinate Lien Revenue						
Series 2017	3,805,000	-	(250,000)	3,555,000	255,000	3,300,000
Series 2016 C Waste Water	957,450	-	(772,200)	185,250	60,450	124,800
Series 2016 C MRC	1,497,550	-	(1,207,800)	289,750	94,550	195,200
Series 2012 B	3,795,000	-	(1,835,000)	1,960,000	1,960,000	-
Series 2010 B	4,860,000	-	(850,000)	4,010,000	890,000	3,120,000
Subtotal	<u>14,915,000</u>	<u>-</u>	<u>(4,915,000)</u>	<u>10,000,000</u>	<u>3,260,000</u>	<u>6,740,000</u>
Other Government Revenue						
Series 2015 Convention Center	17,923,500	-	(844,200)	17,079,300	888,300	16,191,000
Series 2015 Convention Parking	10,526,500	-	(495,800)	10,030,700	521,700	9,509,000
Subtotal	<u>28,450,000</u>	<u>-</u>	<u>(1,340,000)</u>	<u>27,110,000</u>	<u>1,410,000</u>	<u>25,700,000</u>
Utility Revenue Bonds						
Series 2019 Digester	13,550,000	-	-	13,550,000	-	13,550,000
Series 2016 Water	33,090,000	-	(945,000)	32,145,000	980,000	31,165,000
Subtotal	<u>46,640,000</u>	<u>-</u>	<u>(945,000)</u>	<u>45,695,000</u>	<u>980,000</u>	<u>44,715,000</u>
Deferred Amount (Prem/Disc)	10,907,607	-	(1,267,921)	9,639,686	1,267,922	8,371,764
Total	<u>\$ 108,534,607</u>	<u>\$ -</u>	<u>\$ (10,910,421)</u>	<u>\$ 97,624,186</u>	<u>\$ 9,482,422</u>	<u>\$ 88,141,764</u>

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

Purpose	Interest Rates	Amount
Governmental Activities	2.00% - 5.50%	\$ 72,010,500
Business - Enterprises	1.35% - 6.00%	87,984,500
		<u>\$ 159,995,000</u>

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

Years Ended June 30,	Governmental Activities		Enterprise Activities	
	Principal	Interest	Principal	Interest
2022	\$ 8,315,500	\$ 3,304,623	\$ 8,214,500	\$ 3,712,134
2023	6,130,000	2,928,235	5,595,000	3,316,608
2024	6,617,500	2,663,435	3,762,500	3,040,452
2025	6,898,000	2,333,560	3,772,000	2,856,999
2026	7,238,500	2,000,315	6,146,500	2,673,805
2027-2031	18,879,000	5,919,335	23,611,000	10,305,087
2032-2036	14,742,000	2,701,835	26,828,000	5,108,863
2037-2041	3,190,000	241,250	10,055,000	1,072,800
Total	<u>\$ 72,010,500</u>	<u>\$ 22,092,588</u>	<u>\$ 87,984,500</u>	<u>\$ 32,086,748</u>

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**Bonds Payable (Continued)**

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

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities	2.50% - 5.00%	<u>\$ 17,885,000</u>
		<u>\$ 17,885,000</u>

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

<u>Years Ended June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,295,000	\$ 694,063
2023	1,340,000	642,988
2024	1,390,000	589,988
2025	1,435,000	534,963
2026	1,490,000	477,753
2027-2031	7,730,000	1,400,173
2032-2036	3,205,000	171,285
Total	<u>\$ 17,885,000</u>	<u>\$ 4,511,213</u>

**Notes Payable**

The City has the following notes payable outstanding at June 30, 2021:

	<u>Outstanding June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2021</u>	<u>Due Within One Year</u>	<u>Long-Term</u>
<b>Governmental Activities:</b>						
2017 Fire	\$ 588,766	\$ -	\$ (114,733)	\$ 474,033	\$ 116,087	\$ 357,946
Solar Energy Project	-	17,244,894	-	17,244,894	103,392	17,141,502
Total	<u>\$ 588,766</u>	<u>\$ 17,244,894</u>	<u>\$ (114,733)</u>	<u>\$ 17,718,927</u>	<u>\$ 219,479</u>	<u>\$ 17,499,448</u>
<b>Business-Type Activities:</b>						
2014 Fleet	\$ 1,866,447	\$ -	\$ (292,703)	\$ 1,573,744	\$ 298,938	\$ 1,274,806
Environmental Services	760,821	-	(185,227)	575,594	188,823	386,771
DW #4 2696	1,854,599	-	(116,102)	1,738,497	118,424	1,620,073
DW #2 Buckman	7,564,358	-	(775,306)	6,789,052	790,851	5,998,201
Taxable Refunding 2019	22,810,000	-	(905,000)	21,905,000	925,000	20,980,000
PPRF - 4953	1,380,000	-	(185,000)	1,195,000	190,000	1,005,000
Total	<u>\$ 36,236,225</u>	<u>\$ -</u>	<u>\$ (2,459,338)</u>	<u>\$ 33,776,887</u>	<u>\$ 2,512,036</u>	<u>\$ 31,264,851</u>



**CITY OF SANTA FE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**Notes Payable – Governmental Activities**

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

*Solar Energy Project* – During fiscal year 2021, the City entered into an agreement with Sterling National Bank for the financed purchased of solar power equipment for various City of Santa Fe buildings. The first annual payment is due on June 1, 2022, and the term of the loan is for 18 years, ending December 1, 2039. The interest rate for the loan is 2.145%. Debt service will be paid from the annual savings earned by the City buildings.

**Notes Payable – Business-Type Activities**

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

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

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

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

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

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**Notes Payable – Business-Type Activities (Continued)**

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

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

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

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

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

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

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

The debt service requirements to maturity for long-term notes payable at June 30, 2021, are as follows:

Years Ended June 30,	Governmental Activities		Enterprise Activities	
	Principal	Interest	Principal	Interest
2022	\$ 219,479	\$ 440,683	\$ 2,512,036	\$ 976,746
2023	851,269	369,313	2,570,946	923,598
2024	892,256	351,686	2,624,507	868,336
2025	1,000,399	332,736	2,487,604	810,252
2026	925,209	311,571	2,551,559	752,314
2027-2031	5,384,706	1,234,958	9,208,442	2,915,911
2032-2036	4,557,218	685,925	7,156,793	1,688,419
2037-2041	3,888,391	171,037	4,665,000	367,768
Total	<u>\$ 17,718,927</u>	<u>\$ 3,897,909</u>	<u>\$ 33,776,887</u>	<u>\$ 9,303,344</u>

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 LONG-TERM DEBT (CONTINUED)**

**Changes in Long-Term Liabilities**

The changes in long-term debt during the year ended June 30, 2021, are as follows:

	Compensated Absences					
	Outstanding June 30, 2020	Additions	Reductions	Outstanding June 30, 2021	Due Within One Year	Long-Term
Governmental Activities	\$ 4,373,597	\$ 3,081,290	\$ (2,564,550)	\$ 4,890,337	\$ -	\$ 4,890,337
Business-Type Activities	\$ 1,822,933	\$ 887,918	\$ (1,001,773)	\$ 1,709,078	\$ -	\$ 1,709,078
	Unamortized Gains (Losses) on Refundings					
	Outstanding June 30, 2020	Additions	Reductions	Outstanding June 30, 2021	Due Within One Year	Long-Term
Governmental Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business-Type Activities	\$ 118,630	\$ -	\$ (26,680)	\$ 91,950	\$ 26,680	\$ 65,270

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

**NOTE 9 RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries various insurance. The City administers its insurance coverage through the Risk Management Office. The Risk Management Fund, Santa Fe Health/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, 2021, 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.

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**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 claims liabilities during the past two years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payment	Balance at Fiscal Year-End
2019 - 2020:				
Risk Management Fund	\$ 2,017,551	\$ 1,860,582	\$ 1,858,348	\$ 2,019,785
Santa Fe Health/Dental Fund	1,510,000	21,376,125	21,121,125	1,765,000
Workers' Compensation Fund	3,936,460	2,086,202	1,776,783	4,245,879
Unemployment Claims Fund	-	89,368	89,368	-
Total	<u>\$ 7,464,011</u>	<u>\$ 25,412,277</u>	<u>\$ 24,845,624</u>	<u>\$ 8,030,664</u>
2020 - 2021				
Risk Management Fund	\$ 2,019,785	\$ 2,116,762	\$ 2,048,467	\$ 2,088,080
Santa Fe Health/Dental Fund	1,765,000	20,320,750	20,648,750	1,437,000
Workers' Compensation Fund	4,245,879	587,922	1,060,044	3,773,757
Unemployment Claims Fund	-	39,704	39,704	-
Total	<u>\$ 8,030,664</u>	<u>\$ 23,065,138</u>	<u>\$ 23,796,965</u>	<u>\$ 7,298,837</u>

**CITY OF SANTA FE, NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 10 CONTINGENT LIABILITIES**

The City receives significant financial assistance from federal and state sources in the form of grants and entitlements. The disbursements of the funds received are generally limited to specific compliance requirements as specified in the grant agreement. During the period under audit, the City also had its grants audited under the audit requirements of the Office of Management and Budgets Uniform Guidance and the U.S. Department of Housing and Urban Development. The Federal agencies reserve the right to review the scope of the audit and conduct a follow-up review if deemed necessary. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable City fund. The City, however, believes that liabilities resulting from disallowed claims, if any, would not have a material effect on the City's financial position at June 30, 2021.

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

**NOTE 11 JOINTLY GOVERNED ORGANIZATIONS**

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

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

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 11 JOINTLY GOVERNED ORGANIZATIONS (CONTINUED)**

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

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

**NOTE 12 PENSION PLAN – PUBLIC EMPLOYERS RETIREMENT ASSOCIATION**

**Plan Description**

The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal Fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-2 IA-1 to 10-1-IA-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 12 PENSION PLAN – PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)**

**Plan Description (Continued)**

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

**Benefits Provided**

For a description of the benefits provided and recent changes to the benefits, see the PERA audited financial statements for the fiscal year ended June 30, 2020, available at:

<https://www.nmpera.org/>

**Contributions**

The contribution requirements of defined benefit plan members and the City of Santa Fe are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY20 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures of the PERA FY20 annual audit report at

<https://www.nmpera.org/>

The PERA coverage options that apply to City of Santa Fe are: Municipal General Division, Municipal Police Division, and Municipal Fire Division. Statutorily required contributions to the pension plan from the City of Santa Fe were \$4,403,433 in the Municipal General Division, \$1,663,222 in the Municipal Police Division, and \$1,841,501 in the Municipal Fire Division for the year ended June 30, 2021.

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

The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2019. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2020, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2020.

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 12 PENSION PLAN – PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)**

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

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members, and legislative members) for whom separate contribution rates are determined each year pursuant to Chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense, and deferred inflows and outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. City of Santa Fe's proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity's percentage of that membership group's total employer contributions for the fiscal year ended June 30, 2020. Only employer contributions for the pay period end dates that fell within the period of July 1, 2019, to June 30, 2020, were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2020 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

**For PERA Fund Municipal General Division**, at June 30, 2021, City of Santa Fe reported a liability of \$100,650,298 for its proportionate share of the net pension liability. At June 30, 2021, City of Santa Fe's proportion was 4.98%, which decreased from the prior year percentage of 5.04% as of June 30, 2020.

For the year ended June 30, 2021, City of Santa Fe recognized PERA Fund Municipal General Division pension expense of \$3,204,609. At June 30, 2021, City of Santa Fe reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 1,862,235	\$ -
Change in Proportion	1,306	1,355,374
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	18,405,921	-
Differences Between Expected and Actual Experience	2,789,259	-
City of Santa Fe's Contributions Subsequent to the Measurement Date	4,403,433	-
Total	<u>\$ 27,462,154</u>	<u>\$ 1,355,374</u>



**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 12 PENSION PLAN – PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)**

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

\$4,403,433 reported as deferred outflows of resources related to pensions resulting from City of Santa Fe's contributions subsequent to the measurement date June 30, 2020, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ended June 30,</u>	<u>Amount</u>
2022	\$ 5,946,565
2023	6,080,901
2024	5,159,658
2025	4,516,223

**For PERA Fund Municipal Police Division**, at June 30, 2021, City of Santa Fe reported a liability of \$33,544,013 for its proportionate share of the net pension liability. At June 30, 2021, City of Santa Fe's proportion was 3.91% percent, which decreased from the prior year proportion of 4.01% as of June 30, 2020.

For the year ended June 30, 2021, City of Santa Fe recognized PERA Fund Municipal Police Division pension expense of \$586,592. At June 30, 2021, City of Santa Fe reported PERA Fund Municipal Police Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 794,344	\$ -
Change in Proportion	-	2,267,806
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	5,757,570	-
Differences Between Expected and Actual Experience	1,949,276	-
City of Santa Fe's Contributions Subsequent to the Measurement Date	1,663,222	-
Total	<u>\$ 10,164,412</u>	<u>\$ 2,267,806</u>

\$1,663,222 reported as deferred outflows of resources related to pensions resulting from City of Santa Fe's contributions subsequent to the measurement date June 30, 2020, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ended June 30,</u>	<u>Amount</u>
2022	\$ 1,605,434
2023	1,438,064
2024	1,776,344
2025	1,413,542

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 12 PENSION PLAN – PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)**

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

**For PERA Fund Municipal Fire Division**, at June 30, 2021, City of Santa Fe reported a liability of \$48,260,429 for its proportionate share of the net pension liability. At June 30, 2021, City of Santa Fe's proportion was 6.38%, which decreased from the prior year proportion of 6.44% percent as of June 30, 2020.

For the year ended June 30, 2021, City of Santa Fe recognized PERA Fund Municipal Fire Division pension expense of \$484,892. At June 30, 2021, City of Santa Fe reported PERA Fund Municipal Fire Division deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 578,370	\$ -
Change in Proportion	-	1,079,662
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,466,662	-
Differences Between Expected and Actual Experience	1,069,939	-
City of Santa Fe's Contributions Subsequent to the Measurement Date	1,841,501	-
Total	\$ 7,956,472	\$ 1,079,662

\$1,841,501 reported as deferred outflows of resources related to pensions resulting from City of Santa Fe's contributions subsequent to the measurement date June 30, 2020, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	Amount
2022	\$ 1,347,252
2023	1,287,916
2024	1,303,430
2025	1,096,711

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 12 PENSION PLAN – PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)**

**Actuarial Assumptions**

As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2019, for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2020, using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2020. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2020, actuarial valuation. The total pension liability in the June 30, 2020, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	June 30, 2020
Actuarial Cost Method	Entry age normal
Amortization Method	Level Percentage of Pay
Amortization Period	Solved for based on statutory rates
Asset Valuation Method	4 Year Smoothed Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.25% annual rate, net of investment expense
Projected Benefit Payment	100 years
Payroll Growth	3.00%
Projected Salary Increases	3.25% to 13.50% annual rate
Includes Inflation at	2.50%
Mortality Assumptions	RPH-2014 Blue Collar

**Rate of Return**

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

All Funds - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.50 %	5.90 %
Risk Reduction and Mitigation	19.50	1.00
Credit Oriented Fixed Income	15.00	4.20
Real Assets	20.00	6.00
Multi-Risk Allocation	10.00	6.40
Total	100.00 %	

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 12 PENSION PLAN – PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)**

**Rate of Return (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan's fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 67. Therefore, the 7.25% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present City of Santa Fe's net pension liability in each PERA Fund Division that City of Santa Fe participates in, under the current single rate assumption, as if it were calculated using a discount rate 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the single discount rate.

**PERA Fund Municipal General Division**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City of Santa Fe's Proportionate Share of the Net Pension Liability	<u>\$ 144,105,042</u>	<u>\$ 100,650,298</u>	<u>\$ 64,617,563</u>

**PERA Fund Municipal Police Division**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City of Santa Fe's Proportionate Share of the Net Pension Liability	<u>\$ 48,138,891</u>	<u>\$ 33,544,013</u>	<u>\$ 21,598,886</u>

**PERA Fund Municipal Fire Division**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City of Santa Fe's Proportionate Share of the Net Pension Liability	<u>\$ 62,455,290</u>	<u>\$ 48,260,429</u>	<u>\$ 36,593,346</u>

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued FY20 PERA financial report. The report is available at <http://osanm.org>.

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 12 PENSION PLAN – PUBLIC EMPLOYERS RETIREMENT ASSOCIATION (CONTINUED)**

**Payables to the Pension Plan**

The City had a payable of \$1,545,970 owed to PERA at June 30, 2021. Contractually required contributions are remitted to PERA monthly for the previous month's withholdings. Accrued payroll includes the employer's portion of retirement contributions related to employee services rendered as of June 30, 2021, but paid in July 2021. Total aggregate pension expense was \$3,102,909.

**NOTE 13 POSTEMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

**Plan Description**

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

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

**Benefits Provided**

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

**Contributions**

Employer and employee contributions to the Fund total 3% for nonenhanced retirement plans and 3.75% of enhanced retirement plans of each participating employee's salary as required by Section 10-7C-15 NMSA 1978.

The contributions are established by statute and are not based on an actuarial calculation. All employer and employee contributions are nonrefundable under any circumstance, including termination of the employer's participation in the Fund.

The Agency's contributions to the RHCA for the year ended June 30, 2021, was \$1,328,945, which equal the required contributions for the year.

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

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

At June 30, 2021, the City reported a liability of \$60,766,670 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on actual contributions provided to the Fund for the year ending June 30, 2020.

At the June 30, 2020 measurement date, the City's proportion was 1.447%, which is a decrease of .127% from June 30, 2019. For the year ended June 30, 2021, the City recognized OPEB income of \$3,687,057. On June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in Proportion	\$ 1,852,954	\$ 6,252,294
Changes of Assumptions	11,928,383	10,791,248
Difference Between Expected and Actual Experience	-	10,791,316
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	331,357	-
City's Contributions Subsequent to the Measurement Date	1,328,945	-
Total	<u>\$ 15,441,639</u>	<u>\$ 27,834,858</u>

\$1,328,945 reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ (6,015,699)
2023	(5,074,856)
2024	(2,750,962)
2025	(1,144,270)
2026	1,263,623

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

**Actuarial Assumptions**

The total pension liability in the June 30, 2020, actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry age normal, level percent of pay, Calculated on individual employee basis
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Inflation	2.5% for ERB; 2.50% for PERA
Projected Payroll Increases	3.25% to 12.00% for ERB; 3.25% to 13.50% for PERA
Investment Rate of Return	7.25%, net of OPEB plan investment expense and margin for adverse deviation including inflation
Health Care Cost Trend Rate	8% graded down to 4.5% over 14 years for non- Medicare medical plan costs and 7.5% graded Down to 4.5% over 12 years for Medicare Medical plan costs

**Rate of Return**

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

**Discount Rate**

The discount rate used to measure the Fund's total OPEB liability is 2.86% as of June 30, 2020. 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, 2040. Thus, the 2.86% discount rate was used to calculate the net OPEB liability through 2040. Beyond 2040, the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Thus, 2.86% is the blended discount rate.

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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

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

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.86%) or 1-percentage-point higher (3.86%) than the current discount rate:

	1% Decrease (1.86%)	Current Trend Rate (2.86%)	1% Increase (3.86%)
City’s Proportionate Share of the OPEB Liability	\$ 75,529,744	\$ 60,766,670	\$ 49,351,382

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

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
City’s Proportionate Share of the OPEB Liability	\$ 49,875,776	\$ 60,766,670	\$ 69,022,784

**OPEB Plan Fiduciary Net Position**

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

**Payable Changes in the Net OPEB Liability**

At June 30, 2021, the City reported a payable of \$98,939 for outstanding contributions due to NMRHCA for the year ended June 30, 2021.

**NOTE 14 TAX ABATEMENTS**

The City has entered into several agreements with entities pursuant to the NMSA 3-32-1 through 3-32-16 Municipal Bond Act for the purpose of promoting industry and trade by inducing manufacturing, industrial, and commercial enterprises to locate or expand in the state. The City has abated certain taxes as terms of the agreements. As required by GASB Statement No. 77, *Tax Abatement Disclosure*, the City has provided the disclosure of agreements and abated taxes, as well as agreement entered into by other governments and entities who abated taxes that affected the City.



**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 14 TAX ABATEMENTS (CONTINUED)**

<b>Agency Number</b>	6160
<b>Agency Name</b>	City of Santa Fe, New Mexico
<b>Agency Type</b>	Municipality
<b>Tax Abatement Agreement Name</b>	Ridgetop Road, LLC IRB
<b>Recipient(s) of tax abatement</b>	Ridgetop Road, LLC
<b>Parent company(ies) of recipient(s) of tax abatement</b>	Thornburg Investment Management
<b>Tax abatement program (name and brief description)</b>	Industrial Revenue Bond for the construction of the Thornburg Campus
<b>Specific tax(es) being abated</b>	Property Tax
<b>Legal authority under which tax abatement agreement was entered into</b>	NMSA 1978, Sections 3-32-1 to 3-32-16, Industrial Revenue Bond Act.
<b>Criteria that make a recipient eligible to receive a tax abatement</b>	Construction of a "new" non-speculative office building not engaged in the sale of goods or commodities.
<b>How are the tax abatement recipient's taxes reduced? (For example: through a reduction of assessed value)</b>	Title to the facility is held by the City of Santa Fe and not on the County Assessors tax role, thereby eliminating property tax.
<b>How is the amount of the tax abatement determined? For example, this could be a specific dollar amount, a percentage of the tax liability, etc.</b>	The property is held in the City (Issuers name) and not on the County's tax roll. Therefore, no property tax is levied on the facility.
<b>Are there provisions for recapturing abated taxes? (Yes or No)</b>	Yes
<b>If there are provisions for recapturing abated taxes, describe them, including the conditions under which abated taxes become eligible for recapture.</b>	Section 4.17 of the lease specifies, in the event the Lessee ceases operations of the facilities (other than a temporary cessation not exceeding 60 days, during holiday periods, for maintenance and retooling, or because of short-term slack demand or other similar circumstances, or for such reasonable periods as may be required for the repair of facilities destroyed or damaged by casualty or resulting from labor dispute) with five years after the issuance of the Bond, the Lessee will pay to the Issuer, within 90 days of such termination or such cessation, an amount equal to (i) that percentage of the ad valorem taxes on real and personal Project Property that the Lessee would have been required to pay if the Bond had not been issued by the Issuer and the Project Property had been subject to the ad valorem taxation, calculated using mill levies and actual property tax valuations and relates for each tax year, plus (ii) the Applicable Percentage of the amount of gross receipts tax that would have been payable by vendors of Project Property if the Bond had not been issued and receipts from sales or Project Property had not been deductible from gross receipts of the vendors, plus (iii) the Applicable Percentage of the amount of compensating tax that would have been payable by the Lessee with respect to Project Property if the bond had not been issued.
<b>List each specific commitment made by the recipient of the abatement.</b>	1. Will contribute not less than \$45,000 per year to SFPS and \$15,000 to SFCC. 2. Will acquire property, build facility and to the extent necessary, after all bonds proceeds have been exhausted, will finance the completion of the project with its own funds. 3. Will maintain a set of plans and specifications for the project during the construction and installation. 4. Obtain all permits, approvals for operation and maintenance of the property. 5. Will not permit or suffers others to commit a nuisance on or about the project. 6. Will pay when due all taxes, assessments, governmental and other charges of any kind. 7. All utility and other charges incurred in the operation, maintenance, use, occupancy, and upkeep of the property. 8. That the property will be continuously insured. 9. Shall give access to the facilities during regular business hours. 10. Will not suffer any liens to the existing property. 11. Will pay a PILOT as amended in 2010. 12. Will use commercially reasonable efforts to identify local vendors within the City's boundary.

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 14 TAX ABATEMENTS (CONTINUED)**

Gross dollar amount, on an accrual basis, by which the government's tax revenues were reduced during the reporting period as a result of the tax abatement agreement.	\$63,111.81
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency or another agency in association with the foregone tax revenue, list the authority for and describe the payment, including the agency that is supposed to receive the payment.	The authority is provided for in the lease agreement between the City and Ridgetop Road, LLC. Every four years, starting in 2009, Ridgetop Road, LLC, will have an appraisal done on the subject property which will be use for the next four years as basis for the PILOT. Using the School district property tax rate stated on the County of Santa Fe Certificate of Property Tax Rates in Mills, the mill rate is multiplied by the appraised property value. Thornburg, in compliance with New Mexico statute methodology regarding business personal property provides the City with its valuation estimate annually. That valuation is the basis to calculate the property tax. Then the two taxes are added together and a check is sent to the City. In turn, the City transfers the exact payment on to the Santa Fe Public Schools.
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by your agency in association with the foregone tax revenue, list the amount of payments received in the current fiscal year.	\$63,111.81 was paid to the Santa Fe Public Schools per lease amendment.
For any Payments in Lieu of Taxes (PILOTs) or similar payments receivable by a different agency in association with the foregone tax revenue, list the name of the agency and the amount of payments received in the current fiscal year.	NA
List each specific commitment made by your agency or any other government, other than the tax abatement.	1. The Issuer has authorized the execution, delivery and performance of the Bond Documents and the issuance of the Bond all for the purpose of financing the project and paying certain costs related to the issuance of the Bond. 2. That the City will sell the property at the expiration or sooner termination of the agreement. 4. Assignment of Rights, the City will assign certain rights to RRLLC. 5. Will not sell, transfer, assign, or convey its rights, title, or interests in this agreement or property.
Are any other governments affected by this tax abatement agreement? (Yes or No) If yes, list each affected agency and complete an intergovernmental disclosure for each such agency.	Yes. County of Santa Fe, Santa Fe Community College, State of New Mexico
If your agency is omitting any information required in this spreadsheet or by GASB 77, cite the legal basis for such omission.	NA

**NOTE 15 CONDUIT DEBT OBLIGATIONS**

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

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 16 RESTATEMENTS**

During the year ended June 30, 2021, beginning net position of the governmental activities, business-type activities and the beginning fund balance of the general fund was restated for construction in progress costs that were previously expensed, rather than capitalized, and the implementation of GASB Statement No. 84 to reclassify the Sick Leave Bank as a portion of the General Fund. The restatements are as follows:

	Governmental Activities	Business-Type Activities
Net Position, as Previously Reported at June 30, 2020	\$ 151,805,771	\$ 351,581,171
PY Construction in Progress Not Capitalized	1,869,645	336,993
Implementation of GASB Statement No. 84	763,244	-
Net Position, as Restated, at July 1, 2020	\$ 154,438,660	\$ 351,918,164

	General Fund	External Investment Pool Fund
Fund Balance/Net Position, as Previously Reported at June 30, 2020	\$ 29,489,650	\$ -
Implementation of GASB Statement No. 84	763,244	15,992,316
Fund Balance/ Net Position, as Restated, at July 1, 2020	\$ 30,252,894	\$ 15,992,316

**NOTE 17 SUBSEQUENT EVENTS**

In December 2021, the City issued Refunding Bonds with a par value of \$13,590,000. The interest rate on the bonds issued was 5% and resulted in a premium of \$1,437,759. The proceeds of these funds will be used to refund prior bonds.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF SANTA FE, NEW MEXICO  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2021**

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

	Measurement Date						
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the Net Pension Liability (Asset)	4.98 %	5.04 %	5.04 %	5.26 %	5.28 %	5.46 %	5.00 %
Proportionate Share of the Net Pension Liability	\$ 100,650,298	\$ 87,167,781	\$ 80,279,724	\$ 72,228,756	\$ 84,294,324	\$ 55,705,113	\$ 42,647,687
Covered Payroll	\$ 43,261,864	\$ 45,942,073	\$ 46,293,968	\$ 46,164,487	\$ 45,175,990	\$ 45,329,706	\$ 44,378,612
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	232.65 %	189.73 %	173.41 %	156.46 %	186.56 %	122.89 %	96.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.30 %	70.52 %	71.13 %	73.74 %	69.18 %	76.99 %	81.00 %

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

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

	Measurement Date						
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the Net Pension Liability (Asset)	3.91 %	4.01 %	4.51 %	4.73 %	4.49 %	4.71 %	4.00 %
Proportionate Share of the Net Pension Liability	\$ 33,544,013	\$ 29,585,909	\$ 30,741,220	\$ 26,273,806	\$ 33,098,305	\$ 22,640,627	\$ 15,588,474
Covered Payroll	\$ 8,256,683	\$ 8,909,101	\$ 7,518,896	\$ 9,746,730	\$ 8,900,280	\$ 9,228,017	\$ 9,209,308
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	406.26 %	332.09 %	408.85 %	2.70 %	370.97 %	245.35 %	169.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.30 %	70.52 %	71.13 %	73.74 %	69.18 %	76.99 %	81.00 %

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

**CITY OF SANTA FE, NEW MEXICO  
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
JUNE 30, 2021**

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

	Measurement Date						
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the Net Pension Liability (Asset)	6.38 %	6.44 %	6.64 %	6.76 %	7.07 %	6.89 %	7.17 %
Proportionate Share of the Net Pension Liability	\$ 48,260,429	\$ 44,258,054	\$ 42,523,848	\$ 38,675,254	\$ 47,146,743	\$ 35,553,318	\$ 29,910,003
Covered Payroll	\$ 7,980,522	\$ 8,569,312	\$ 8,442,319	\$ 7,848,810	\$ 7,848,810	\$ 7,848,819	\$ 7,981,492
Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	604.73 %	516.47 %	503.70 %	492.75 %	572.29 %	452.98 %	374.74 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.30 %	70.52 %	71.13 %	73.74 %	69.18 %	76.99 %	81.29 %

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

**CITY OF SANTA FE, NEW MEXICO  
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
JUNE 30, 2021**

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contributions	\$ 4,403,433	\$ 4,131,508	\$ 4,387,468	\$ 4,421,074	\$ 4,408,708	\$ 4,167,065	\$ 8,958,197
Contributions in Relation to the Contractually Required Contribution	<u>(4,403,433)</u>	<u>(4,131,508)</u>	<u>(4,387,468)</u>	<u>(4,421,074)</u>	<u>(4,408,708)</u>	<u>(4,167,065)</u>	<u>(8,958,197)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 44,932,990	\$ 43,261,864	\$ 45,942,073	\$ 46,293,968	\$ 46,164,487	\$ 45,175,990	\$ 45,329,706
Contributions as a Percentage of Covered Payroll	9.80 %	9.55 %	9.55 %	9.55 %	9.55 %	9.22 %	19.76 %

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

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contributions	\$ 1,663,222	\$ 1,560,513	\$ 1,683,820	\$ 1,799,071	\$ 1,842,132	\$ 1,682,505	\$ 2,975,446
Contributions in Relation to the Contractually Required Contribution	<u>(1,663,222)</u>	<u>(1,560,513)</u>	<u>(1,683,820)</u>	<u>(1,799,071)</u>	<u>(1,842,132)</u>	<u>(1,682,505)</u>	<u>(2,975,446)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 8,662,615	\$ 8,256,683	\$ 8,909,101	\$ 9,518,896	\$ 9,746,730	\$ 8,900,280	\$ 9,228,017
Contributions as a Percentage of Covered Payroll	19.20 %	18.90 %	18.90 %	18.90 %	18.90 %	18.90 %	32.24 %

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

See Notes to Required Supplementary Information.

**CITY OF SANTA FE, NEW MEXICO  
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
JUNE 30, 2021**

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contributions	\$ 1,841,501	\$ 1,727,783	\$ 1,855,256	\$ 1,827,762	\$ 1,773,462	\$ 1,682,505	\$ 2,975,446
Contributions in Relation to the Contractually Required Contribution	<u>(1,841,501)</u>	<u>(1,727,783)</u>	<u>(1,855,256)</u>	<u>(1,827,762)</u>	<u>(1,773,462)</u>	<u>(1,682,505)</u>	<u>(2,975,446)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 8,408,680	\$ 7,980,522	\$ 8,569,312	\$ 8,442,319	\$ 7,848,810	\$ 7,848,819	\$ 7,848,819
Contributions as a Percentage of Covered Payroll	21.90 %	21.65 %	21.65 %	21.65 %	22.60 %	21.44 %	37.91 %

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



**CITY OF SANTA FE, NEW MEXICO**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2021**

**Changes of Benefit Terms**

The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY 20 audit available at:

<https://www.nmpera.org>

**Changes of Assumptions**

The Public Employees Retirement Association (PERA) of the New Mexico Annual Actuarial Valuation as of June 30, 2020, is available at:

<https://www.nmpera.org>

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

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

	Measurement Date			
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
City's Proportion of the Net OPEB Liability	1.44720 %	1.57395 %	1.60610 %	1.54336 %
City's Proportionate Share of the Net OPEB Liability	\$ 60,766,670	\$ 49,562,956	\$ 69,838,711	\$ 69,732,971
City's Covered Payroll	\$ 59,640,075	\$ 61,730,000	\$ 64,392,990	\$ 61,850,783
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	101.89 %	80.29 %	108.46 %	112.74 %
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.92 %	18.92 %	13.14 %	11.34 %

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

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

	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017
Contractually Required Contribution	\$ 1,328,945	\$ 1,277,038	\$ 1,321,022	\$ 1,375,677	\$ 1,321,178
Contributions in Relation to the Contractually Required Contribution	<u>1,328,945</u>	<u>1,277,038</u>	<u>1,321,022</u>	<u>1,375,677</u>	<u>1,321,178</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll	\$ 62,040,365	\$ 59,640,075	\$ 61,730,000	\$ 64,392,990	\$ 61,850,783
Contributions as a Percentage of Covered- Employee Payroll	2.14 %	2.14 %	2.14 %	2.14 %	2.14 %

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Changes of Benefit Terms**

The Retiree Health Care Authority (RHCA), COLA and age eligibility benefits changes in recent years are described in the Notes to the RHCA FY20 audit available at <http://saonm.org/> using the Audit Search function for agency 343.

**Changes of Assumptions**

The Retiree Health Care Authority (RHCA) of New Mexico Biennial Actuarial Valuation as of June 30, 2020, report is available at <http://saonm.org/> using the Audit Search function for agency 343.

**SUPPLEMENTARY INFORMATION**

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	Special Revenue	Capital Projects	Total
<b>ASSETS</b>			
Cash and Investments	\$ 44,214,582	\$ 37,147,863	\$ 81,362,445
Cash Restricted for Endowment	255,656	-	255,656
Receivables:			
State-Shared Taxes	540,470	-	540,470
Local Taxes	3,188,876	-	3,188,876
Motor	-	144,251	144,251
Interest	353	419	772
Grants, Restricted	1,323,566	170,234	1,493,800
Other Receivables, Net	4,034,500	-	4,034,500
Due from Other Funds	16,465,126	-	16,465,126
	<u>\$ 70,023,129</u>	<u>\$ 37,462,767</u>	<u>\$ 107,485,896</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>			
Liabilities:			
Accounts Payable	\$ 1,073,160	\$ 726,085	\$ 1,799,245
Pooled Cash - Cash Overdrawn	15,173	-	15,173
Accrued Wages Payable	343,063	50,570	393,633
Due to Other Funds	1,544,443	-	1,544,443
Deposits and Escrow	467,021	-	467,021
Other Current Liabilities	51,498	-	51,498
Total Liabilities	<u>3,494,358</u>	<u>776,655</u>	<u>4,271,013</u>
Deferred Inflows of Resources:			
Unavailable Revenue	2,264,701	-	2,264,701
Total Deferred Inflows of Resources	<u>2,264,701</u>	<u>-</u>	<u>2,264,701</u>
Fund Balance (Deficit):			
Nonspendable	255,656	-	255,656
Restricted	25,999,470	26,255,535	52,255,005
Committed	1,961,421	-	1,961,421
Assigned	36,076,004	10,430,577	46,506,581
Unassigned	(28,481)	-	(28,481)
Total Fund Balance (Deficit)	<u>64,264,070</u>	<u>36,686,112</u>	<u>100,950,182</u>
	<u>\$ 70,023,129</u>	<u>\$ 37,462,767</u>	<u>\$ 107,485,896</u>

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Special Revenue	Capital Projects	Total
<b>REVENUES</b>			
Gross Receipts Taxes	\$ 19,345,498	\$ -	\$ 19,345,498
Motor Taxes	-	1,596,238	1,596,238
Lodgers' Taxes	7,536,026	-	7,536,026
Franchise	69,679	-	69,679
Licenses and Permits	53,945	-	53,945
Fees and Charges for Services	5,542,677	-	5,542,677
Fines and Forfeitures	40,783	37,593	78,376
Intergovernmental:			
Federal	1,534,508	-	1,534,508
State	11,934,394	1,439,321	13,373,715
Local	44,848	-	44,848
Rents, Royalties, and Concessions	232,276	-	232,276
Investment Income (Loss)	14,935	11,836	26,771
Other Revenues	344,618	712,504	1,057,122
Total Revenues	<u>46,694,187</u>	<u>3,797,492</u>	<u>50,491,679</u>
<b>EXPENDITURES</b>			
Current:			
Salaries, Wages, and Fringe Benefits	6,967,463	998,319	7,965,782
Contractual Services and Utilities	13,711,977	1,731,238	15,443,215
Repairs and Maintenance	56,323	315,452	371,775
Supplies	2,562,286	423,825	2,986,111
Capital Outlay - Inventory-Exempt Items	94,638	781,606	876,244
Depreciation Expense	-	-	-
Insurance Premiums	95,657	-	95,657
Claims and Judgements	-	-	-
BDD - Source of Supply	-	-	-
Other	2,532,652	653	2,533,305
Total Current Expenditures	<u>26,020,996</u>	<u>4,251,093</u>	<u>30,272,089</u>
Capital Outlay	3,658,498	7,559,650	11,218,148
Debt Service:			
Principal Payments	-	-	-
Interest	-	-	-
Bond Issuance Costs	8,701	155,127	163,828
Total Expenditures	<u>29,688,195</u>	<u>11,965,870</u>	<u>41,654,065</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	17,005,992	(8,168,378)	8,837,614
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	8,841,891	5,209,882	14,051,773
Transfers Out	(14,066,511)	(2,639,188)	(16,705,699)
Proceeds from Sale of Capital Assets	7,972	-	7,972
Issuance of Note	-	-	-
Payments to Bond Escrow	-	-	-
Bond Proceeds	-	17,244,894	17,244,894
Premiums on Bonds Issues	-	-	-
Total Other Financing Sources (Uses)	<u>(5,216,648)</u>	<u>19,815,588</u>	<u>14,598,940</u>
<b>NET CHANGE IN FUND BALANCE</b>	11,789,344	11,647,210	23,436,554
Fund Balances - Beginning of Year	<u>52,474,726</u>	<u>25,038,902</u>	<u>77,513,628</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 64,264,070</u>	<u>\$ 36,686,112</u>	<u>\$ 100,950,182</u>

**CITY OF SANTA FE, NEW MEXICO  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
JUNE 30, 2021**

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.

**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-IOA-1 to 9 NMSA 1978

**Fire Environmental Services** – to account for City and grant monies received for the purpose of clearing wild land areas within the City of Santa Fe to reduce fire danger. City 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

**City Drainage Fund** – to account for expenditures related to drainage projects.

**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

**CITY OF SANTA FE, NEW MEXICO  
NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2021**

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

**Senior Citizen Grants/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.

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



**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –**  
**SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

	General Government			
	Capital Equipment Reserve	Gross Receipts Tax	Franchise Fee Fund	Economic Development
<b>ASSETS</b>				
Cash and Investments	\$ 351,910	\$ 11,279,693	\$ -	\$ 1,102,198
Cash Restricted for Endowment	-	-	-	-
Receivables:				
State-Shared Taxes	-	-	-	90,078
Local Taxes	-	2,718,485	17,309	-
Interest	-	96	-	-
Grants, Restricted	-	-	-	-
Other Receivables, Net	-	-	-	58,198
Due from Other Funds	-	15,189,902	-	337
	<u>-</u>	<u>15,189,902</u>	<u>-</u>	<u>337</u>
 Total Assets	 <u>\$ 351,910</u>	 <u>\$ 29,188,176</u>	 <u>\$ 17,309</u>	 <u>\$ 1,250,811</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ 276,253
Pooled Cash - Cash Overdrawn	-	-	142	-
Accrued Wages Payable	-	-	-	13,640
Due to Other Funds	-	-	-	9,806
Deposits and Escrow	-	-	-	19,285
Other Current Liabilities	-	-	-	2,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>142</u>	<u>320,984</u>
Deferred Inflows of Resources:				
Unavailable Revenue	-	-	-	60,762
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,762</u>
Fund Balance (Deficit):				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	351,910	-	-	-
Assigned	-	29,188,176	17,167	869,065
Unassigned	-	-	-	-
Total Fund Balance (Deficit)	<u>351,910</u>	<u>29,188,176</u>	<u>17,167</u>	<u>869,065</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	 <u>\$ 351,910</u>	 <u>\$ 29,188,176</u>	 <u>\$ 17,309</u>	 <u>\$ 1,250,811</u>

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –**  
**SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	General Government (Continued)		
	Lodger's Tax Fund	Public Campaign Financing	Total General Government
<b>ASSETS</b>			
Cash and Investments	\$ 3,024,654	\$ 741,899	\$ 16,500,354
Cash Restricted for Endowment	-	-	-
Receivables:			
State-Shared Taxes	-	-	90,078
Local Taxes	-	-	2,735,794
Interest	55	-	151
Grants, Restricted	-	-	-
Other Receivables, Net	1,591,918	-	1,650,116
Due from Other Funds	-	-	15,190,239
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 4,616,627</u>	<u>\$ 741,899</u>	<u>\$ 36,166,732</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>			
Liabilities:			
Accounts Payable	\$ 304,781	\$ -	\$ 581,034
Pooled Cash - Cash Overdrawn	-	-	142
Accrued Wages Payable	100,371	-	114,011
Due to Other Funds	-	-	9,806
Deposits and Escrow	5,500	-	24,785
Other Current Liabilities	-	-	2,000
Total Liabilities	<u>410,652</u>	<u>-</u>	<u>731,778</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>83,790</u>	<u>-</u>	<u>144,552</u>
Total Deferred Inflows of Resources	<u>83,790</u>	<u>-</u>	<u>144,552</u>
Fund Balance (Deficit):			
Nonspendable	-	-	-
Restricted	4,122,185	-	4,122,185
Committed	-	741,899	1,093,809
Assigned	-	-	30,074,408
Unassigned	-	-	-
Total Fund Balance (Deficit)	<u>4,122,185</u>	<u>741,899</u>	<u>35,290,402</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 4,616,627</u>	<u>\$ 741,899</u>	<u>\$ 36,166,732</u>

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –**  
**SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Public Safety				Total Public Safety
	Animal Services	Emergency Services	Fire Environmental Service	Law Enforcement	
<b>ASSETS</b>					
Cash and Investments	\$ 168,346	\$ 2,146,621	\$ 687,068	\$ 3,359,936	\$ 6,361,971
Cash Restricted for Endowment	-	-	-	-	-
Receivables:					
State-Shared Taxes	-	-	-	-	-
Local Taxes	-	-	-	453,082	453,082
Interest	-	16	-	-	16
Grants, Restricted	-	210,137	41,888	-	252,025
Other Receivables, Net	-	-	-	65,852	65,852
Due from Other Funds	-	-	-	527,758	527,758
Total Assets	<u>\$ 168,346</u>	<u>\$ 2,356,774</u>	<u>\$ 728,956</u>	<u>\$ 4,406,628</u>	<u>\$ 7,660,704</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>					
Liabilities:					
Accounts Payable	\$ -	\$ 163,646	\$ -	\$ 90,441	\$ 254,087
Pooled Cash - Cash Overdrawn	-	-	-	-	-
Accrued Wages Payable	-	4,497	42	-	4,539
Due to Other Funds	-	-	-	-	-
Deposits and Escrow	-	-	-	-	-
Other Current Liabilities	-	-	-	37,498	37,498
Total Liabilities	<u>-</u>	<u>168,143</u>	<u>42</u>	<u>127,939</u>	<u>296,124</u>
Deferred Inflows of Resources:					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit):					
Nonspendable	-	-	-	-	-
Restricted	168,346	-	-	4,278,689	4,447,035
Committed	-	-	-	-	-
Assigned	-	2,188,631	728,914	-	2,917,545
Unassigned	-	-	-	-	-
Total Fund Balance (Deficit)	<u>168,346</u>	<u>2,188,631</u>	<u>728,914</u>	<u>4,278,689</u>	<u>7,364,580</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 168,346</u>	<u>\$ 2,356,774</u>	<u>\$ 728,956</u>	<u>\$ 4,406,628</u>	<u>\$ 7,660,704</u>

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –**  
**SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Public Works			Total Public Works
	City Drainage Fund	Impact Fee Fund	Transportation Grants	
<b>ASSETS</b>				
Cash and Investments	\$ 2,532,152	\$ 7,484,379	\$ 103,647	\$ 10,120,178
Cash Restricted for Endowment	-	-	-	-
Receivables:				
State-Shared Taxes	-	-	-	-
Local Taxes	-	-	-	-
Interest	-	92	-	92
Grants, Restricted	-	-	134,192	134,192
Other Receivables, Net	198,383	-	-	198,383
Due from Other Funds	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 2,730,535</u>	<u>\$ 7,484,471</u>	<u>\$ 237,839</u>	<u>\$ 10,452,845</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 15,640	\$ 15,640
Pooled Cash - Cash Overdrawn	-	-	-	-
Accrued Wages Payable	21,817	-	20,219	42,036
Due to Other Funds	-	-	-	-
Deposits and Escrow	-	-	-	-
Other Current Liabilities	-	12,000	-	12,000
Total Liabilities	<u>21,817</u>	<u>12,000</u>	<u>35,859</u>	<u>69,676</u>
Deferred Inflows of Resources:				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit):				
Nonspendable	-	-	-	-
Restricted	-	7,472,471	201,980	7,674,451
Committed	-	-	-	-
Assigned	2,708,718	-	-	2,708,718
Unassigned	-	-	-	-
Total Fund Balance (Deficit)	<u>2,708,718</u>	<u>7,472,471</u>	<u>201,980</u>	<u>10,383,169</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 2,730,535</u>	<u>\$ 7,484,471</u>	<u>\$ 237,839</u>	<u>\$ 10,452,845</u>

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –**  
**SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Community Development		Total Community Development
	Community Development	Senior Citizen Grants/Programs	
<b>ASSETS</b>			
Cash and Investments	\$ 4,878,175	\$ 1,202,950	\$ 6,081,125
Cash Restricted for Endowment	-	-	-
Receivables:			
State-Shared Taxes	270,235	-	270,235
Local Taxes	-	-	-
Interest	36	-	36
Grants, Restricted	619,589	317,760	937,349
Other Receivables, Net	-	-	-
Due from Other Funds	747,129	-	747,129
 Total Assets	\$ 6,515,164	\$ 1,520,710	\$ 8,035,874
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>			
Liabilities:			
Accounts Payable	\$ 165,336	\$ 6,704	\$ 172,040
Pooled Cash - Cash Overdrawn	-	-	-
Accrued Wages Payable	426	144,856	145,282
Due to Other Funds	1,529	-	1,529
Deposits and Escrow	442,236	-	442,236
Other Current Liabilities	-	-	-
Total Liabilities	609,527	151,560	761,087
Deferred Inflows of Resources:			
Unavailable Revenue	-	-	-
Total Deferred Inflows of Resources	-	-	-
Fund Balance (Deficit):			
Nonspendable	-	-	-
Restricted	5,905,637	1,369,150	7,274,787
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balance (Deficit)	5,905,637	1,369,150	7,274,787
 Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	\$ 6,515,164	\$ 1,520,710	\$ 8,035,874

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –**  
**SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Culture and Recreation					
	Historic Preservation	Library Fund	NEA Grants	Plaza Use Fund	Public Facilities Fund	Quality of Life
<b>ASSETS</b>						
Cash and Investments	\$ 267,271	\$ 830,564	\$ -	\$ 153,216	\$ 138,880	\$ 581,486
Cash Restricted for Endowment	-	255,656	-	-	-	-
Receivables:						
State-Shared Taxes	-	-	-	-	-	-
Local Taxes	-	-	-	-	-	-
Interest	-	7	-	-	-	-
Grants, Restricted	-	-	-	-	-	-
Other Receivables, Net	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-
	<u>267,271</u>	<u>1,086,227</u>	<u>-</u>	<u>153,216</u>	<u>138,880</u>	<u>581,486</u>
Total Assets	<u>\$ 267,271</u>	<u>\$ 1,086,227</u>	<u>\$ -</u>	<u>\$ 153,216</u>	<u>\$ 138,880</u>	<u>\$ 581,486</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>						
Liabilities:						
Accounts Payable	\$ -	\$ 7,877	\$ 13,450	\$ -	\$ -	\$ 5,970
Pooled Cash - Cash Overdrawn	-	-	15,031	-	-	-
Accrued Wages Payable	-	25,848	-	-	-	-
Due to Other Funds	-	-	-	-	-	-
Deposits and Escrow	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>33,725</u>	<u>28,481</u>	<u>-</u>	<u>-</u>	<u>5,970</u>
Deferred Inflows of Resources:						
Unavailable Revenue	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit):						
Nonspendable	-	255,656	-	-	-	-
Restricted	267,271	796,846	-	-	-	-
Committed	-	-	-	153,216	138,880	575,516
Assigned	-	-	-	-	-	-
Unassigned	-	-	(28,481)	-	-	-
Total Fund Balance (Deficit)	<u>267,271</u>	<u>1,052,502</u>	<u>(28,481)</u>	<u>153,216</u>	<u>138,880</u>	<u>575,516</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	<u>\$ 267,271</u>	<u>\$ 1,086,227</u>	<u>\$ -</u>	<u>\$ 153,216</u>	<u>\$ 138,880</u>	<u>\$ 581,486</u>

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS –**  
**SPECIAL REVENUE FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Culture and Recreation (Continued)			Total Culture and Recreation	Total Nonmajor Special Revenue Funds
	Recreation Programs	Land Development	Special Recreation Leagues		
<b>ASSETS</b>					
Cash and Investments	\$ 2,244,217	\$ 832,481	\$ 102,839	\$ 5,150,954	\$ 44,214,582
Cash Restricted for Endowment	-	-	-	255,656	255,656
Receivables:					
State-Shared Taxes	180,157	-	-	180,157	540,470
Local Taxes	-	-	-	-	3,188,876
Interest	38	13	-	58	353
Grants, Restricted	-	-	-	-	1,323,566
Other Receivables, Net	-	2,120,149	-	2,120,149	4,034,500
Due from Other Funds	-	-	-	-	16,465,126
	<u>-\$ 2,424,412</u>	<u>\$ 2,952,643</u>	<u>\$ 102,839</u>	<u>\$ 7,706,974</u>	<u>\$ 70,023,129</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>					
Liabilities:					
Accounts Payable	\$ 23,062	\$ -	\$ -	\$ 50,359	\$ 1,073,160
Pooled Cash - Cash Overdrawn	-	-	-	15,031	15,173
Accrued Wages Payable	11,347	-	-	37,195	343,063
Due to Other Funds	973,108	560,000	-	1,533,108	1,544,443
Deposits and Escrow	-	-	-	-	467,021
Other Current Liabilities	-	-	-	-	51,498
Total Liabilities	<u>1,007,517</u>	<u>560,000</u>	<u>-</u>	<u>1,635,693</u>	<u>3,494,358</u>
Deferred Inflows of Resources:					
Unavailable Revenue	-	2,120,149	-	2,120,149	2,264,701
Total Deferred Inflows of Resources	<u>-</u>	<u>2,120,149</u>	<u>-</u>	<u>2,120,149</u>	<u>2,264,701</u>
Fund Balance (Deficit):					
Nonspendable	-	-	-	255,656	255,656
Restricted	1,416,895	-	-	2,481,012	25,999,470
Committed	-	-	-	867,612	1,961,421
Assigned	-	272,494	102,839	375,333	36,076,004
Unassigned	-	-	-	(28,481)	(28,481)
Total Fund Balance (Deficit)	<u>1,416,895</u>	<u>272,494</u>	<u>102,839</u>	<u>3,951,132</u>	<u>64,264,070</u>
	<u>\$ 2,424,412</u>	<u>\$ 2,952,643</u>	<u>\$ 102,839</u>	<u>\$ 7,706,974</u>	<u>\$ 70,023,129</u>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL  
FUNDS – SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2021**

	General Government			
	Capital Equipment Reserve	Gross Receipts Tax	Franchise Fee Fund	Economic Development
<b>REVENUES</b>				
Gross Receipts Taxes	\$ -	\$ 14,271,056	\$ -	\$ 455,512
Lodgers' Taxes	-	-	-	-
Franchise	-	-	69,679	-
Licenses and Permits	-	-	-	-
Fees and Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Rents, Royalties, and Concessions	-	-	-	232,276
Investment Income (Loss)	-	2,502	-	-
Other Revenues	-	-	-	1,005
Total Revenues	<u>-</u>	<u>14,273,558</u>	<u>69,679</u>	<u>688,793</u>
<b>EXPENDITURES</b>				
Current:				
Salaries, Wages, and Fringe Benefits	-	-	-	303,885
Contractual Services and Utilities	-	-	-	430,282
Repairs and Maintenance	-	-	-	-
Supplies	-	-	-	1,925
Capital Outlay - Inventory-Exempt Items	-	-	-	1,053
Insurance Premiums	-	-	-	22,906
Other	-	301,959	-	127,997
Total Current Expenditures	<u>-</u>	<u>301,959</u>	<u>-</u>	<u>888,048</u>
Capital Outlay	-	-	-	-
Debt Service:				
Bond Issuance Costs	-	-	-	-
Total Expenditures	<u>-</u>	<u>301,959</u>	<u>-</u>	<u>888,048</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>13,971,599</u>	<u>69,679</u>	<u>(199,255)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	165,000
Transfers Out	-	(9,210,546)	(60,000)	(20,000)
Proceeds from Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(9,210,546)</u>	<u>(60,000)</u>	<u>145,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>4,761,053</u>	<u>9,679</u>	<u>(54,255)</u>
Fund Balances - Beginning of Year	<u>351,910</u>	<u>24,427,123</u>	<u>7,488</u>	<u>923,320</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 351,910</u></u>	<u><u>\$ 29,188,176</u></u>	<u><u>\$ 17,167</u></u>	<u><u>\$ 869,065</u></u>



**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL  
FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	General Government		Total General Government
	Lodger's Tax Fund	Public Campaign Financing	
<b>REVENUES</b>			
Gross Receipts Taxes	\$ -	\$ -	\$ 14,726,568
Lodgers' Taxes	7,536,026	-	7,536,026
Franchise	-	-	69,679
Licenses and Permits	-	-	-
Fees and Charges for Services	-	-	-
Fines and Forfeitures	-	-	-
Intergovernmental:			
Federal	-	-	-
State	8,927	-	8,927
Local	-	-	-
Rents, Royalties, and Concessions	-	-	232,276
Investment Income (Loss)	1,435	-	3,937
Other Revenues	133,477	-	134,482
Total Revenues	<u>7,679,865</u>	<u>-</u>	<u>22,711,895</u>
<b>EXPENDITURES</b>			
Current:			
Salaries, Wages, and Fringe Benefits	1,990,591	-	2,294,476
Contractual Services and Utilities	679,006	-	1,109,288
Repairs and Maintenance	-	-	-
Supplies	57,325	-	59,250
Capital Outlay - Inventory-Exempt Items	-	-	1,053
Insurance Premiums	57,273	-	80,179
Other	1,411,158	-	1,841,114
Total Current Expenditures	<u>4,195,353</u>	<u>-</u>	<u>5,385,360</u>
Capital Outlay	-	-	-
Debt Service:			
Bond Issuance Costs	-	-	-
Total Expenditures	<u>4,195,353</u>	<u>-</u>	<u>5,385,360</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,484,512	-	17,326,535
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	246,000	2,076	413,076
Transfers Out	(3,268,650)	-	(12,559,196)
Proceeds from Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	<u>(3,022,650)</u>	<u>2,076</u>	<u>(12,146,120)</u>
<b>NET CHANGE IN FUND BALANCE</b>	461,862	2,076	5,180,415
Fund Balances - Beginning of Year	<u>3,660,323</u>	<u>739,823</u>	<u>30,109,987</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 4,122,185</u>	<u>\$ 741,899</u>	<u>\$ 35,290,402</u>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL  
FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Public Safety				Total Public Safety
	Animal Services	Emergency Services	Fire Environmental Service	Law Enforcement	
<b>REVENUES</b>					
Gross Receipts Taxes	\$ -	\$ -	\$ -	\$ 2,378,582	\$ 2,378,582
Lodgers' Taxes	-	-	-	-	-
Franchise	-	-	-	-	-
Licenses and Permits	7,950	-	-	-	7,950
Fees and Charges for Services	-	-	-	311,430	311,430
Fines and Forfeitures	22,515	-	-	10,258	32,773
Intergovernmental:					
Federal	-	49,499	83,529	-	133,028
State	-	2,597,111	159,453	127,206	2,883,770
Local	-	37,268	-	-	37,268
Rents, Royalties, and Concessions	-	-	-	-	-
Investment Income (Loss)	-	409	-	-	409
Other Revenues	-	43,955	-	94,828	138,783
Total Revenues	<u>30,465</u>	<u>2,728,242</u>	<u>242,982</u>	<u>2,922,304</u>	<u>5,923,993</u>
<b>EXPENDITURES</b>					
Current:					
Salaries, Wages, and Fringe Benefits	-	163,037	51,377	-	214,414
Contractual Services and Utilities	-	45,838	10,322	485,530	541,690
Repairs and Maintenance	-	9,964	-	18,925	28,889
Supplies	-	833,063	472	540,952	1,374,487
Capital Outlay - Inventory-Exempt Items	2,383	59,732	-	20,536	82,651
Insurance Premiums	-	12,274	-	-	12,274
Other	1,187	168,930	-	191,042	361,159
Total Current Expenditures	<u>3,570</u>	<u>1,292,838</u>	<u>62,171</u>	<u>1,256,985</u>	<u>2,615,564</u>
Capital Outlay	31,127	1,550,636	-	955,339	2,537,102
Debt Service:					
Bond Issuance Costs	-	-	-	8,701	8,701
Total Expenditures	<u>34,697</u>	<u>2,843,474</u>	<u>62,171</u>	<u>2,221,025</u>	<u>5,161,367</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(4,232)	(115,232)	180,811	701,279	762,626
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	1,247,852	-	-	1,247,852
Transfers Out	-	(123,162)	-	-	(123,162)
Proceeds from Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,124,690</u>	<u>-</u>	<u>-</u>	<u>1,124,690</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,232)	1,009,458	180,811	701,279	1,887,316
Fund Balances - Beginning of Year	<u>172,578</u>	<u>1,179,173</u>	<u>548,103</u>	<u>3,577,410</u>	<u>5,477,264</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 168,346</u>	<u>\$ 2,188,631</u>	<u>\$ 728,914</u>	<u>\$ 4,278,689</u>	<u>\$ 7,364,580</u>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL  
FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Public Works			Total Public Works
	City Drainage Fund	Impact Fee Fund	Transportation Grants	
<b>REVENUES</b>				
Gross Receipts Taxes	\$ -	\$ -	\$ -	\$ -
Lodgers' Taxes	-	-	-	-
Franchise	-	-	-	-
Licenses and Permits	-	-	-	-
Fees and Charges for Services	2,810,142	1,962,019	-	4,772,161
Fines and Forfeitures	-	-	-	-
Intergovernmental:				
Federal	-	-	-	-
State	2,860	-	313,681	316,541
Local	-	-	7,580	7,580
Rents, Royalties, and Concessions	-	-	-	-
Investment Income (Loss)	-	2,412	-	2,412
Other Revenues	-	-	-	-
Total Revenues	<u>2,813,002</u>	<u>1,964,431</u>	<u>321,261</u>	<u>5,098,694</u>
<b>EXPENDITURES</b>				
Current:				
Salaries, Wages, and Fringe Benefits	431,332	-	343,921	775,253
Contractual Services and Utilities	142,947	-	33,820	176,767
Repairs and Maintenance	-	-	-	-
Supplies	133	-	30,510	30,643
Capital Outlay - Inventory-Exempt Items	4,911	-	-	4,911
Insurance Premiums	-	-	-	-
Other	10,000	145	26,078	36,223
Total Current Expenditures	<u>589,323</u>	<u>145</u>	<u>434,329</u>	<u>1,023,797</u>
Capital Outlay	543,895	-	-	543,895
Debt Service:				
Bond Issuance Costs	-	-	-	-
Total Expenditures	<u>1,133,218</u>	<u>145</u>	<u>434,329</u>	<u>1,567,692</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,679,784	1,964,286	(113,068)	3,531,002
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	52,480	52,480
Transfers Out	-	(1,114,000)	-	(1,114,000)
Proceeds from Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,114,000)</u>	<u>52,480</u>	<u>(1,061,520)</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,679,784	850,286	(60,588)	2,469,482
Fund Balances - Beginning of Year	<u>1,028,934</u>	<u>6,622,185</u>	<u>262,568</u>	<u>7,913,687</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,708,718</u>	<u>\$ 7,472,471</u>	<u>\$ 201,980</u>	<u>\$ 10,383,169</u>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL  
FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Community Development		Total Community Development
	Community Development	Senior Citizen Grants/Programs	
<b>REVENUES</b>			
Gross Receipts Taxes	\$ 1,438,708	\$ -	\$ 1,438,708
Lodgers' Taxes	-	-	-
Franchise	-	-	-
Licenses and Permits	-	-	-
Fees and Charges for Services	367,676	90,060	457,736
Fines and Forfeitures	-	-	-
Intergovernmental:			
Federal	753,894	647,586	1,401,480
State	7,530,308	990,210	8,520,518
Local	-	-	-
Rents, Royalties, and Concessions	-	-	-
Investment Income (Loss)	956	-	956
Other Revenues	59,040	3,004	62,044
Total Revenues	<u>10,150,582</u>	<u>1,730,860</u>	<u>11,881,442</u>
<b>EXPENDITURES</b>			
Current:			
Salaries, Wages, and Fringe Benefits	46,904	2,894,660	2,941,564
Contractual Services and Utilities	10,268,090	5,876	10,273,966
Repairs and Maintenance	-	16,845	16,845
Supplies	57,892	727,106	784,998
Capital Outlay - Inventory-Exempt Items	-	3,037	3,037
Insurance Premiums	-	3,204	3,204
Other	93,527	197,868	291,395
Total Current Expenditures	<u>10,466,413</u>	<u>3,848,596</u>	<u>14,315,009</u>
Capital Outlay	104,494	217,501	321,995
Debt Service:			
Bond Issuance Costs	-	-	-
Total Expenditures	<u>10,570,907</u>	<u>4,066,097</u>	<u>14,637,004</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(420,325)	(2,335,237)	(2,755,562)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	2,996,463	2,618,945	5,615,408
Transfers Out	-	(19,228)	(19,228)
Proceeds from Sale of Capital Assets	7,972	-	7,972
Total Other Financing Sources (Uses)	<u>3,004,435</u>	<u>2,599,717</u>	<u>5,604,152</u>
<b>NET CHANGE IN FUND BALANCE</b>	2,584,110	264,480	2,848,590
Fund Balances - Beginning of Year	<u>3,321,527</u>	<u>1,104,670</u>	<u>4,426,197</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 5,905,637</u>	<u>\$ 1,369,150</u>	<u>\$ 7,274,787</u>

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL**  
**FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Culture and Recreation					
	Historic Preservation	Library	NEA Grants	Plaza Use Fund	Public Facilities Fund	Quality of Life Fund
<b>REVENUES</b>						
Gross Receipts Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lodgers' Taxes	-	-	-	-	-	-
Franchise	-	-	-	-	-	-
Licenses and Permits	45,995	-	-	-	-	-
Fees and Charges for Services	-	-	-	1,350	-	-
Fines and Forfeitures	-	221	-	7,789	-	-
Intergovernmental:						
Federal	-	-	-	-	-	-
State	-	204,638	-	-	-	-
Local	-	-	-	-	-	-
Rents, Royalties, and Concessions	-	-	-	-	-	-
Investment Income (Loss)	-	5,903	-	-	-	-
Other Revenues	-	-	-	-	-	-
Total Revenues	<u>45,995</u>	<u>210,762</u>	<u>-</u>	<u>9,139</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>						
Current:						
Salaries, Wages, and Fringe Benefits	-	467,906	-	-	-	-
Contractual Services and Utilities	66,482	109,871	63,000	-	168,022	140,306
Repairs and Maintenance	-	-	-	117	-	10,472
Supplies	-	253,788	-	11,973	-	22,677
Capital Outlay - Inventory-Exempt Items	-	2,986	-	-	-	-
Insurance Premiums	-	-	-	-	-	-
Other	-	11	-	2,120	-	-
Total Current Expenditures	<u>66,482</u>	<u>834,562</u>	<u>63,000</u>	<u>14,210</u>	<u>168,022</u>	<u>173,455</u>
Capital Outlay	-	255,506	-	-	-	-
Debt Service:						
Bond Issuance Costs	-	-	-	-	-	-
Total Expenditures	<u>66,482</u>	<u>1,090,068</u>	<u>63,000</u>	<u>14,210</u>	<u>168,022</u>	<u>173,455</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(20,487)	(879,306)	(63,000)	(5,071)	(168,022)	(173,455)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	20,000	1,226,176	-	-	250,000	-
Transfers Out	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>1,226,176</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(487)	346,870	(63,000)	(5,071)	81,978	(173,455)
Fund Balances - Beginning of Year	<u>267,758</u>	<u>705,632</u>	<u>34,519</u>	<u>158,287</u>	<u>56,902</u>	<u>748,971</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 267,271</u>	<u>\$ 1,052,502</u>	<u>\$ (28,481)</u>	<u>\$ 153,216</u>	<u>\$ 138,880</u>	<u>\$ 575,516</u>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL  
FUNDS – SPECIAL REVENUE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Culture and Recreation (Continued)			Total Culture and Recreation	Total Nonmajor Special Revenue Funds
	Recreation Programs	Land Development	Special Recreation Leagues		
<b>REVENUES</b>					
Gross Receipts Taxes	\$ 801,640	\$ -	\$ -	\$ 801,640	\$ 19,345,498
Lodgers' Taxes	-	-	-	-	7,536,026
Franchise	-	-	-	-	69,679
Licenses and Permits	-	-	-	45,995	53,945
Fees and Charges for Services	-	-	-	1,350	5,542,677
Fines and Forfeitures	-	-	-	8,010	40,783
Intergovernmental:					
Federal	-	-	-	-	1,534,508
State	-	-	-	204,638	11,934,394
Local	-	-	-	-	44,848
Rents, Royalties, and Concessions	-	-	-	-	232,276
Investment Income (Loss)	981	337	-	7,221	14,935
Other Revenues	9,309	-	-	9,309	344,618
Total Revenues	<u>811,930</u>	<u>337</u>	<u>-</u>	<u>1,078,163</u>	<u>46,694,187</u>
<b>EXPENDITURES</b>					
Current:					
Salaries, Wages, and Fringe Benefits	273,850	-	-	741,756	6,967,463
Contractual Services and Utilities	1,062,585	-	-	1,610,266	13,711,977
Repairs and Maintenance	-	-	-	10,589	56,323
Supplies	24,470	-	-	312,908	2,562,286
Capital Outlay - Inventory-Exempt Items	-	-	-	2,986	94,638
Insurance Premiums	-	-	-	-	95,657
Other	610	20	-	2,761	2,532,652
Total Current Expenditures	<u>1,361,515</u>	<u>20</u>	<u>-</u>	<u>2,681,266</u>	<u>26,020,996</u>
Capital Outlay	-	-	-	255,506	3,658,498
Debt Service:					
Bond Issuance Costs	-	-	-	-	8,701
Total Expenditures	<u>1,361,515</u>	<u>20</u>	<u>-</u>	<u>2,936,772</u>	<u>29,688,195</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(549,585)	317	-	(1,858,609)	17,005,992
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	16,899	1,513,075	8,841,891
Transfers Out	(250,925)	-	-	(250,925)	(14,066,511)
Proceeds from Sale of Capital Assets	-	-	-	-	7,972
Total Other Financing Sources (Uses)	<u>(250,925)</u>	<u>-</u>	<u>16,899</u>	<u>1,262,150</u>	<u>(5,216,648)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(800,510)	317	16,899	(596,459)	11,789,344
Fund Balances - Beginning of Year	<u>2,217,405</u>	<u>272,177</u>	<u>85,940</u>	<u>4,547,591</u>	<u>52,474,726</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 1,416,895</u>	<u>\$ 272,494</u>	<u>\$ 102,839</u>	<u>\$ 3,951,132</u>	<u>\$ 64,264,070</u>

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

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

**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.

**CITY OF SANTA FE, NEW MEXICO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS  
JUNE 30, 2021**

	General Government				Total General Government
	CIP Reallocation	Resource Conservation	Facilities CIP	Special Projects	
<b>ASSETS</b>					
Cash and Investments	\$ 468,091	\$ 17,845,455	\$ 1,322,966	\$ 2,108,092	\$ 21,744,604
Receivables:					
Motor	-	-	-	-	-
Interest	-	-	-	-	-
Grants, Restricted	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 468,091</b>	<b>\$ 17,845,455</b>	<b>\$ 1,322,966</b>	<b>\$ 2,108,092</b>	<b>\$ 21,744,604</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>					
Liabilities:					
Accounts Payable	\$ -	\$ 12,116	\$ 219,702	\$ 201,868	\$ 433,686
Accrued Wages Payable	-	-	-	20,477	20,477
Pooled Cash - Cash Overdrawn	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>12,116</b>	<b>219,702</b>	<b>222,345</b>	<b>454,163</b>
Fund Balance (Deficit):					
Restricted	-	17,802,367	-	-	17,802,367
Assigned	468,091	30,972	1,103,264	1,885,747	3,488,074
Unassigned	-	-	-	-	-
<b>Total Fund Balance (Deficit)</b>	<b>468,091</b>	<b>17,833,339</b>	<b>1,103,264</b>	<b>1,885,747</b>	<b>21,290,441</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)</b>	<b>\$ 468,091</b>	<b>\$ 17,845,455</b>	<b>\$ 1,322,966</b>	<b>\$ 2,108,092</b>	<b>\$ 21,744,604</b>



**CITY OF SANTA FE, NEW MEXICO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS (CONTINUED)  
JUNE 30, 2021**

	Public Works			Total Public Works	Comm. Dev.	Total Community Development
	Bond Acquisition	City Drainage Projects	City Street Projects		CIP Community Development	
<b>ASSETS</b>						
Cash and Investments	\$ 8,625,800	\$ 582,515	\$ 2,468,946	\$ 11,677,261	\$ 944,597	\$ 944,597
Receivables:						
Motor	-	-	144,251	144,251	-	-
Interest	253	-	107	360	-	-
Grants, Restricted	73,350	-	96,884	170,234	-	-
<b>Total Assets</b>	<b>\$ 8,699,403</b>	<b>\$ 582,515</b>	<b>\$ 2,710,188</b>	<b>\$ 11,992,106</b>	<b>\$ 944,597</b>	<b>\$ 944,597</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>						
Liabilities:						
Accounts Payable	\$ 246,235	\$ -	\$ 12,476	\$ 258,711	\$ -	\$ -
Accrued Wages Payable	-	-	30,093	30,093	-	-
Pooled Cash - Cash Overdrawn	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>246,235</b>	<b>-</b>	<b>42,569</b>	<b>288,804</b>	<b>-</b>	<b>-</b>
Fund Balance (Deficit):						
Restricted	8,453,168	-	-	8,453,168	-	-
Assigned	-	582,515	2,667,619	3,250,134	944,597	944,597
Unassigned	-	-	-	-	-	-
<b>Total Fund Balance (Deficit)</b>	<b>8,453,168</b>	<b>582,515</b>	<b>2,667,619</b>	<b>11,703,302</b>	<b>944,597</b>	<b>944,597</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)</b>	<b>\$ 8,699,403</b>	<b>\$ 582,515</b>	<b>\$ 2,710,188</b>	<b>\$ 11,992,106</b>	<b>\$ 944,597</b>	<b>\$ 944,597</b>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS (CONTINUED)  
JUNE 30, 2021**

	Culture and Recreation			Total Culture and Recreation	Total Nonmajor Capital Project Funds
	City Parks and Trails Improvements	Art for CIP Projects	Library Improvements		
<b>ASSETS</b>					
Cash and Investments	\$ 2,713,645	\$ 54,451	\$ 13,305	\$ 2,781,401	\$ 37,147,863
Receivables:					
Motor	-	-	-	-	144,251
Interest	59	-	-	59	419
Grants, Restricted	-	-	-	-	170,234
<b>Total Assets</b>	<b>\$ 2,713,704</b>	<b>\$ 54,451</b>	<b>\$ 13,305</b>	<b>\$ 2,781,460</b>	<b>\$ 37,462,767</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>					
Liabilities:					
Accounts Payable	\$ 32,658	\$ 1,030	\$ -	\$ 33,688	\$ 726,085
Accrued Wages Payable	-	-	-	-	50,570
Pooled Cash - Cash Overdrawn	-	-	-	-	-
<b>Total Liabilities</b>	<b>32,658</b>	<b>1,030</b>	<b>-</b>	<b>33,688</b>	<b>776,655</b>
Fund Balance (Deficit):					
Restricted	-	-	-	-	26,255,535
Assigned	2,681,046	53,421	13,305	2,747,772	10,430,577
Unassigned	-	-	-	-	-
<b>Total Fund Balance (Deficit)</b>	<b>2,681,046</b>	<b>53,421</b>	<b>13,305</b>	<b>2,747,772</b>	<b>36,686,112</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)</b>	<b>\$ 2,713,704</b>	<b>\$ 54,451</b>	<b>\$ 13,305</b>	<b>\$ 2,781,460</b>	<b>\$ 37,462,767</b>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS  
YEAR ENDED JUNE 30, 2021**

	General Government				Total General Government
	CIP Reallocation	Resource Conservation	Facilities CIP	Special Projects	
<b>REVENUES</b>					
Gross Receipts Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Motor Taxes	-	-	-	-	-
Lodgers' Taxes	-	-	-	-	-
Property Taxes	-	-	-	-	-
Franchise	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fees and Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental:					
Federal	-	-	-	-	-
State	-	-	469,237	125,000	594,237
Local	-	-	-	-	-
Rents, Royalties, and Concessions	-	-	-	-	-
Investment Income (Loss)	-	877	-	-	877
Other Revenues	-	-	-	-	-
Total Revenues	<u>-</u>	<u>877</u>	<u>469,237</u>	<u>125,000</u>	<u>595,114</u>
<b>EXPENDITURES</b>					
Current:					
Salaries, Wages, and Fringe Benefits	-	-	-	304,346	304,346
Contractual Services and Utilities	-	12,116	-	1,602,693	1,614,809
Repairs and Maintenance	-	-	-	-	-
Supplies	-	-	2,416	-	2,416
Capital Outlay - Inventory-Exempt Items	-	-	37,321	130,929	168,250
Depreciation Expense	-	-	-	-	-
Insurance Premiums	-	-	-	-	-
Claims and Judgements	-	-	-	-	-
BDD - Source of Supply	-	-	-	-	-
Other	-	-	-	-	-
Total Current Expenditures	<u>-</u>	<u>12,116</u>	<u>39,737</u>	<u>2,037,968</u>	<u>2,089,821</u>
Capital Outlay	-	-	1,406,440	15,744	1,422,184
Debt Service:					
Principal Payments	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	155,127	-	-	155,127
Total Expenditures	<u>-</u>	<u>167,243</u>	<u>1,446,177</u>	<u>2,053,712</u>	<u>3,667,132</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(166,366)	(976,940)	(1,928,712)	(3,072,018)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	723,839	-	1,397,271	2,121,110
Transfers Out	-	-	(107,388)	-	(107,388)
Proceeds from Sale of Capital Assets	-	-	-	-	-
Issuance of Note	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-
Note Proceeds	-	17,244,894	-	-	17,244,894
Premiums on Bonds Issues	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>17,968,733</u>	<u>(107,388)</u>	<u>1,397,271</u>	<u>19,258,616</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	17,802,367	(1,084,328)	(531,441)	16,186,598
Fund Balances - Beginning of Year	468,091	30,972	2,187,592	2,417,188	5,103,843
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 468,091</u>	<u>\$ 17,833,339</u>	<u>\$ 1,103,264</u>	<u>\$ 1,885,747</u>	<u>\$ 21,290,441</u>

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**CAPITAL PROJECTS FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Public Works			Total Public Works	Comm. Dev.	Total Community Development
	Bond Acquisition	City			CIP	
		Drainage Projects	City Street Projects		Community Development	
<b>REVENUES</b>						
Gross Receipts Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Motor Taxes	-	-	1,596,238	1,596,238	-	-
Lodgers' Taxes	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-
Franchise	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-
Fees and Charges for Services	-	-	-	-	-	-
Fines and Forfeitures	-	-	37,593	37,593	-	-
Intergovernmental:						
Federal	-	-	-	-	-	-
State	454,676	-	172,590	627,266	54,926	54,926
Local	-	-	-	-	-	-
Rents, Royalties, and Concessions	-	-	-	-	-	-
Investment Income (Loss)	6,615	-	2,807	9,422	-	-
Other Revenues	-	-	712,504	712,504	-	-
Total Revenues	461,291	-	2,521,732	2,983,023	54,926	54,926
<b>EXPENDITURES</b>						
Current:						
Salaries, Wages, and Fringe Benefits	-	-	693,973	693,973	-	-
Contractual Services and Utilities	109,454	-	-	109,454	6,812	6,812
Repairs and Maintenance	277,090	-	38,362	315,452	-	-
Supplies	348,211	-	73,198	421,409	-	-
Capital Outlay - Inventory-Exempt Items	454,291	-	51,328	505,619	-	-
Depreciation Expense	-	-	-	-	-	-
Insurance Premiums	-	-	-	-	-	-
Claims and Judgements	-	-	-	-	-	-
BDD - Source of Supply	-	-	-	-	-	-
Other	393	-	168	561	-	-
Total Current Expenditures	1,189,439	-	857,029	2,046,468	6,812	6,812
Capital Outlay	2,887,737	-	2,006,988	4,894,725	36,179	36,179
Debt Service:						
Principal Payments	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-	-
Total Expenditures	4,077,176	-	2,864,017	6,941,193	42,991	42,991
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(3,615,885)	-	(342,285)	(3,958,170)	11,935	11,935
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	2,034,772	-	804,000	2,838,772	-	-
Transfers Out	(1,192,705)	-	(1,339,095)	(2,531,800)	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	-	-
Issuance of Note	-	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-	-
Note Proceeds	-	-	-	-	-	-
Premiums on Bonds Issues	-	-	-	-	-	-
Total Other Financing Sources (Uses)	842,067	-	(535,095)	306,972	-	-
<b>NET CHANGE IN FUND BALANCE</b>	(2,773,818)	-	(877,380)	(3,651,198)	11,935	11,935
Fund Balances - Beginning of Year	11,226,986	582,515	3,544,999	15,354,500	932,662	932,662
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 8,453,168</u>	<u>\$ 582,515</u>	<u>\$ 2,667,619</u>	<u>\$ 11,703,302</u>	<u>\$ 944,597</u>	<u>\$ 944,597</u>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
CAPITAL PROJECTS FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Culture and Recreation			Total Culture and Recreation	Total Nonmajor Capital Project Funds
	City Parks and Trails Improvements	Art for CIP Projects	Library Improvements		
<b>REVENUES</b>					
Gross Receipts Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Motor Taxes	-	-	-	-	1,596,238
Lodgers' Taxes	-	-	-	-	-
Property Taxes	-	-	-	-	-
Franchise	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fees and Charges for Services	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	37,593
Intergovernmental:					
Federal	-	-	-	-	-
State	108,312	54,580	-	162,892	1,439,321
Local	-	-	-	-	-
Rents, Royalties, and Concessions	-	-	-	-	-
Investment Income (Loss)	1,537	-	-	1,537	11,836
Other Revenues	-	-	-	-	712,504
Total Revenues	<u>109,849</u>	<u>54,580</u>	<u>-</u>	<u>164,429</u>	<u>3,797,492</u>
<b>EXPENDITURES</b>					
Current:					
Salaries, Wages, and Fringe Benefits	-	-	-	-	998,319
Contractual Services and Utilities	-	163	-	163	1,731,238
Repairs and Maintenance	-	-	-	-	315,452
Supplies	-	-	-	-	423,825
Capital Outlay - Inventory-Exempt Items	51,743	55,994	-	107,737	781,606
Depreciation Expense	-	-	-	-	-
Insurance Premiums	-	-	-	-	-
Claims and Judgements	-	-	-	-	-
BDD - Source of Supply	-	-	-	-	-
Other	92	-	-	92	653
Total Current Expenditures	<u>51,835</u>	<u>56,157</u>	<u>-</u>	<u>107,992</u>	<u>4,251,093</u>
Capital Outlay	1,206,562	-	-	1,206,562	7,559,650
Debt Service:					
Principal Payments	-	-	-	-	-
Interest	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	155,127
Total Expenditures	<u>1,258,397</u>	<u>56,157</u>	<u>-</u>	<u>1,314,554</u>	<u>11,965,870</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,148,548)</b>	<b>(1,577)</b>	<b>-</b>	<b>(1,150,125)</b>	<b>(8,168,378)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	250,000	-	-	250,000	5,209,882
Transfers Out	-	-	-	-	(2,639,188)
Proceeds from Sale of Capital Assets	-	-	-	-	-
Issuance of Note	-	-	-	-	-
Payments to Bond Escrow	-	-	-	-	-
Note Proceeds	-	-	-	-	17,244,894
Premiums on Bonds Issues	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>19,815,588</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(898,548)</b>	<b>(1,577)</b>	<b>-</b>	<b>(900,125)</b>	<b>11,647,210</b>
Fund Balances - Beginning of Year	3,579,594	54,998	13,305	3,647,897	25,038,902
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 2,681,046</b>	<b>\$ 53,421</b>	<b>\$ 13,305</b>	<b>\$ 2,747,772</b>	<b>\$ 36,686,112</b>

**CITY OF SANTA FE, NEW MEXICO  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2021**

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.

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

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

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

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2021**

	Municipal Recreation Complex	Parking	Railyard Properties	Airport	Transit Bus System	GCCC	Total
<b>Current Assets:</b>							
Cash and Investments	\$ 578,271	\$ 732,332	\$ 238,356	\$ 888,700	\$ -	\$ 1,167,629	\$ 3,605,288
<b>Restricted Cash, Cash Equivalents, and Investments:</b>							
Restricted for Debt Service	-	-	-	-	-	-	-
Restricted for Compliance	117,141	-	31,561	-	-	-	148,702
Restricted for Customer Deposits	-	-	-	-	-	-	-
Grants Receivable	6,000	-	17	2,944,193	8,587,583	-	11,537,793
<b>Receivables, Net of Allowances:</b>							
Accounts	81,648	1,144,169	-	-	-	-	1,225,817
Interest	17	5	27	-	117	53	219
Other Receivable	343,312	-	-	-	-	-	343,312
Due From Other Funds	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>1,126,389</b>	<b>1,876,506</b>	<b>269,961</b>	<b>3,832,893</b>	<b>8,587,700</b>	<b>1,167,682</b>	<b>16,861,131</b>
<b>Capital Assets:</b>							
Land and Water Rights	2,250,000	-	20,145,837	129,711	-	2,072,067	24,597,615
Buildings and Structures	2,310,217	35,260,112	8,351,011	5,410,078	7,716,720	23,306,768	82,354,906
Sewerlines and Utility Systems	-	-	-	-	-	29,820	29,820
Improvements	15,181,314	63,620	31,260,311	26,510,525	1,937,160	3,386,796	78,339,726
Furniture and Fixtures	-	-	-	17,452	9,164	41,769	68,385
Equipment and Machinery	1,517,232	2,474,277	-	2,284,444	1,502,883	380,927	8,159,763
Vehicles	44,154	357,743	-	596,733	15,976,835	301,252	17,276,717
Intangible Plant	-	-	-	-	-	-	-
Data Processing Equipment/Software	-	518,009	-	79,565	284,685	21,285	903,544
Art	-	-	-	-	180,971	-	180,971
Construction in Progress	47,689	107,388	213,692	12,118,261	795,355	4,932,586	18,214,971
Less: Accumulated Depreciation	(16,766,325)	(9,645,205)	(31,872,087)	(26,015,366)	(17,944,443)	(12,296,126)	(114,539,552)
<b>Total Capital Assets,</b>							
<b>Net Accumulated Depreciation</b>	<b>4,584,281</b>	<b>29,135,944</b>	<b>28,098,764</b>	<b>21,131,403</b>	<b>10,459,330</b>	<b>22,177,144</b>	<b>115,586,866</b>
<b>Deferred Outflows of Resources:</b>							
Unamortized Loss on Refunding Bonds	-	-	-	-	-	-	-
Deferred Outflows Related to Pension/OPEB Activity	222,941	799,089	65,245	769,710	2,809,052	1,144,301	5,810,338
<b>Total Deferred Outflows of Resources</b>	<b>222,941</b>	<b>799,089</b>	<b>65,245</b>	<b>769,710</b>	<b>2,809,052</b>	<b>1,144,301</b>	<b>5,810,338</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 5,933,611</b>	<b>\$ 31,811,539</b>	<b>\$ 28,433,970</b>	<b>\$ 25,734,006</b>	<b>\$ 21,856,082</b>	<b>\$ 24,489,127</b>	<b>\$ 138,258,335</b>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)  
JUNE 30, 2021**

	Municipal Recreation Complex	Parking	Railyard Properties	Airport	Transit Bus System	GCCC	Total
<b>Current Liabilities:</b>							
Accounts Payable	\$ 111,030	\$ 137,315	\$ 68,037	\$ 843,563	\$ 99,398	\$ 17,909	\$ 1,277,252
Gross Receipts Taxes Payable	7	6,575	-	304	133	-	7,019
Compensated Absences Payable	-	-	-	-	-	-	-
Accrued Wages Payable	19,744	67,672	5,507	69,058	256,335	186,317	604,633
Claims and Judgment Payable	-	-	-	-	-	-	-
Bonds Payable, Net of Amortized Discounts	183,337	587,041	1,217,342	-	-	-	1,987,720
Notes Payable	-	-	-	-	-	-	-
Accrued Interest Payable	1,207	19,781	23,928	-	3,529	-	48,445
Unearned Revenue	-	-	-	167,872	-	-	167,872
Pooled Cash - Overdraft	-	-	-	-	2,605,726	-	2,605,726
Other Liabilities	-	1,086	-	-	-	-	1,086
Due to Other Funds	-	-	-	-	-	-	-
Deposits and Escrow	-	47,005	-	-	14	18,471	65,490
<b>Total Current Liabilities</b>	<b>315,325</b>	<b>866,475</b>	<b>1,314,814</b>	<b>1,080,797</b>	<b>2,965,135</b>	<b>222,697</b>	<b>6,765,243</b>
<b>Noncurrent Liabilities:</b>							
Bonds Payable, Net of Unamortized Discounts	461,562	10,358,842	6,709,368	-	-	-	17,529,772
Notes Payable	-	1,195,000	-	-	1,573,744	-	2,768,744
Compensated Absences Payable	9,766	69,230	8,113	110,044	285,892	120,118	603,163
Net Pension Liability	654,602	2,346,981	191,876	2,356,549	8,254,916	3,349,624	17,154,548
Net OPEB Liability	233,753	837,178	68,112	712,158	2,938,487	1,209,922	5,999,610
<b>Total Noncurrent Liabilities</b>	<b>1,359,683</b>	<b>14,807,231</b>	<b>6,977,469</b>	<b>3,178,751</b>	<b>13,053,039</b>	<b>4,679,664</b>	<b>44,055,837</b>
<b>Total Liabilities</b>	<b>1,675,008</b>	<b>15,673,706</b>	<b>8,292,283</b>	<b>4,259,548</b>	<b>16,018,174</b>	<b>4,902,361</b>	<b>50,821,080</b>
<b>Deferred Inflows of Resources:</b>							
Unamortized Gain on Refunding of Bonds	31,363	-	5,424	-	-	-	36,787
Deferred Inflows Related to Pension/OPEB Activity	123,946	443,973	36,145	386,953	1,558,781	640,557	3,190,355
<b>Total Deferred Inflows of Resources</b>	<b>155,309</b>	<b>443,973</b>	<b>41,569</b>	<b>386,953</b>	<b>1,558,781</b>	<b>640,557</b>	<b>3,227,142</b>
<b>Net Position (Deficit):</b>							
Net Investment in Capital Assets	3,908,019	16,995,061	20,166,630	21,131,403	8,885,586	22,177,144	93,263,843
Restricted for Debt Service	-	-	-	-	-	-	-
Restricted for Compliance	117,141	-	31,561	-	-	-	148,702
Unrestricted	78,134	(1,301,201)	(98,073)	(43,898)	(4,606,459)	(3,230,935)	(9,202,432)
<b>Total Net Position</b>	<b>4,103,294</b>	<b>15,693,860</b>	<b>20,100,118</b>	<b>21,087,505</b>	<b>4,279,127</b>	<b>18,946,209</b>	<b>84,210,113</b>
<b>Total Liabilities, Inflows of Resources, and Net Position</b>	<b>\$ 5,933,611</b>	<b>\$ 31,811,539</b>	<b>\$ 28,433,970</b>	<b>\$ 25,734,006</b>	<b>\$ 21,856,082</b>	<b>\$ 24,489,127</b>	<b>\$ 138,258,335</b>



**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2021**

	Municipal Recreation Complex	Parking	Railyard Properties
<b>OPERATING REVENUES</b>			
User Fees, Net of Allowance	\$ 1,062,096	\$ 2,224,637	\$ -
Facilities Rentals	500	-	-
Other Revenues	13,292	606,629	924,091
Total Operating Revenues	<u>1,075,888</u>	<u>2,831,266</u>	<u>924,091</u>
<b>OPERATING EXPENSES</b>			
Salaries, Wages, and Fringe Benefits	82,998	150,876	(109,339)
Contractual Services and Utilities	268,042	391,668	97,491
Repairs and Maintenance	88,568	55,058	1,114
Supplies	96,553	72,470	6,015
Capital Outlay - Inventory-Exempt Items	-	48,439	123,741
Depreciation Expense	281,005	930,986	2,260,823
Insurance Premiums	18,510	57,869	-
Claims and Judgments	-	-	-
BDD - Source of Supply	-	-	-
Other	146,815	685,780	-
Total Operating Expenses	<u>982,491</u>	<u>2,393,146</u>	<u>2,379,845</u>
Operating Income (Loss)	93,397	438,120	(1,455,754)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income (Loss)	22,475	136	3,723
Intergovernmental:			
Federal	-	-	-
State	4,457	94,144	981
Gain (Loss) on Sale of Capital Assets	-	-	175,000
Interest Expense	18,942	(406,008)	(258,819)
Other Nonoperating Revenue (Expense)	(164)	(12,303)	(804)
Total Nonoperating Revenues (Expenses)	<u>45,710</u>	<u>(324,031)</u>	<u>(79,919)</u>
Income (Loss) Before Transfers and Capital Contributions	139,107	114,089	(1,535,673)
Transfers In	1,448,140	303,468	420,037
Capital Contributions	-	-	-
Transfers Out	<u>(10,000)</u>	<u>(74,361)</u>	<u>(972,320)</u>
<b>CHANGE IN NET POSITION</b>	1,577,247	343,196	(2,087,956)
Net Position - Beginning of Year	<u>2,526,047</u>	<u>15,350,664</u>	<u>22,188,074</u>
Restatement, Note 16	-	-	-
Net Position - Beginning of Year, As Restated	<u>2,526,047</u>	<u>15,350,664</u>	<u>22,188,074</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 4,103,294</u>	<u>\$ 15,693,860</u>	<u>\$ 20,100,118</u>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Airport	Transit Bus System	GCCC	Total
<b>OPERATING REVENUES</b>				
User Fees, Net of Allowance	\$ 994,707	\$ 180,217	\$ 184,609	\$ 4,646,266
Facilities Rentals	326,591	-	59,178	386,269
Other Revenues	2,703	103,308	16	1,650,039
Total Operating Revenues	<u>1,324,001</u>	<u>283,525</u>	<u>243,803</u>	<u>6,682,574</u>
<b>OPERATING EXPENSES</b>				
Salaries, Wages, and Fringe Benefits	1,189,473	3,250,263	1,732,846	6,297,117
Contractual Services and Utilities	284,257	145,528	524,864	1,711,850
Repairs and Maintenance	65,597	434,283	68,679	713,299
Supplies	82,880	298,511	334,076	890,505
Capital Outlay - Inventory-Exempt Items	(140,313)	51,377	72,230	155,474
Depreciation Expense	1,343,264	1,500,291	835,667	7,152,036
Insurance Premiums	58,624	260,004	118,529	513,536
Claims and Judgments	-	-	-	-
BDD - Source of Supply	-	-	-	-
Other	362,427	1,832,464	66,798	3,094,284
Total Operating Expenses	<u>3,246,209</u>	<u>7,772,721</u>	<u>3,753,689</u>	<u>20,528,101</u>
Operating Income (Loss)	<u>(1,922,208)</u>	<u>(7,489,196)</u>	<u>(3,509,886)</u>	<u>(13,845,527)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment Income (Loss)	-	3,050	1,382	30,766
Intergovernmental:				
Federal	4,098,650	8,587,583	-	12,686,233
State	684,488	74,947	112,651	971,668
Gain (Loss) on Sale of Capital Assets	-	-	-	175,000
Interest Expense	-	(48,376)	-	(694,261)
Other Nonoperating Revenue (Expense)	-	(1,962)	-	(15,233)
Total Nonoperating Revenues (Expenses)	<u>4,783,138</u>	<u>8,615,242</u>	<u>114,033</u>	<u>13,154,173</u>
Income (Loss) Before Transfers and Capital Contributions	2,860,930	1,126,046	(3,395,853)	(691,354)
Transfers In	1,369,031	-	1,539,046	5,079,722
Capital Contributions	96,410	-	3,988,227	4,084,637
Transfers Out	-	-	-	(1,056,681)
<b>CHANGE IN NET POSITION</b>	<u>4,326,371</u>	<u>1,126,046</u>	<u>2,131,420</u>	<u>7,416,324</u>
Net Position - Beginning of Year	<u>16,761,134</u>	<u>3,145,869</u>	<u>16,485,008</u>	<u>76,456,796</u>
Restatement, Note 16	-	7,212	329,781	336,993
Net Position - Beginning of Year, As Restated	<u>16,761,134</u>	<u>3,153,081</u>	<u>16,814,789</u>	<u>76,793,789</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 21,087,505</u>	<u>\$ 4,279,127</u>	<u>\$ 18,946,209</u>	<u>\$ 84,210,113</u>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2021**

	Municipal Recreation Complex	Parking	Railyard Properties	Airport	Transit Bus System	GCCC	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash Received from Customers	\$ 723,959	\$ 2,659,217	\$ 924,091	\$ 1,324,001	\$ 283,525	\$ 243,803	\$ 6,158,596
Cash Payments to Suppliers for Goods and Services	(519,110)	(1,475,538)	(171,746)	(92,573)	(4,929,497)	(1,190,641)	(8,379,105)
Cash Payments to Employees for Services	(408,679)	(1,497,442)	(142,668)	(1,404,447)	(5,925,402)	(1,771,805)	(11,150,443)
Net Cash Provided (Used) by Operating Activities	(203,830)	(313,763)	609,677	(173,019)	(10,571,374)	(2,718,643)	(13,370,952)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Intergovernmental Taxes and Grants	16,451	94,144	981	4,692,316	2,020,929	112,651	6,937,472
Transfers In from Other Funds	1,448,140	303,468	420,037	1,369,031	-	1,539,046	5,079,722
Transfers Out to Other Funds	(10,000)	(74,361)	(972,320)	-	-	-	(1,056,681)
Interfund	-	-	-	(391,841)	-	391,841	-
Net Cash Provided (Used) by Noncapital Financing Activities	1,454,591	323,251	(551,302)	5,669,506	2,020,929	2,043,538	10,960,513
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and Construction of Capital Assets	(140,313)	(331,208)	(44,393)	(4,704,197)	(162,238)	(5,281,515)	(10,663,864)
Proceeds from Sale of Capital Assets	-	-	175,000	-	-	2,704	177,704
Capital Contributions	-	-	-	96,410	-	3,988,227	4,084,637
Interest Paid on Revenue Bonds and Notes Payable	(7,374)	(419,208)	(266,587)	-	(292,703)	-	(985,872)
Principal Paid on Revenue Bond Maturities and Notes Payable	(1,296,588)	(746,141)	(1,172,342)	-	(50,833)	-	(3,265,904)
Net Cash Used by Capital and Related Financing Activities	(1,444,275)	(1,496,557)	(1,308,322)	(4,607,787)	(505,774)	(1,290,584)	(10,653,299)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest and Dividends on Investments	22,475	136	4,992	-	8,521	3,860	39,984
Net Cash Provided (Used) by Investing Activities	22,475	136	4,992	-	8,521	3,860	39,984
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(171,039)	(1,486,933)	(1,244,955)	888,700	(9,047,698)	(1,961,829)	(13,023,754)
Cash, Investments, and Cash Equivalents - Beginning of Year	866,451	2,219,265	1,514,872	-	6,441,972	3,129,458	14,172,018
<b>CASH, INVESTMENTS, AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 695,412	\$ 732,332	\$ 269,917	\$ 888,700	\$ (2,605,726)	\$ 1,167,629	\$ 1,148,264
Cash, Investments, and Cash Equivalents	\$ 578,271	\$ 732,332	\$ 238,356	\$ 888,700	\$ -	\$ 1,167,629	\$ 3,605,288
Restricted for Compliance	117,141	-	31,561	-	-	-	148,702
Cash Overdraft	-	-	-	-	(2,605,726)	-	(2,605,726)
Total	\$ 695,412	\$ 732,332	\$ 269,917	\$ 888,700	\$ (2,605,726)	\$ 1,167,629	\$ 1,148,264

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Municipal Recreation Complex	Parking	Railyard Properties	Airport	Transit Bus System	GCCC	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>							
Operating Income (Loss)	\$ 93,397	\$ 438,120	\$ (1,455,754)	\$ (1,922,208)	\$ (7,489,196)	\$ (3,509,886)	\$ (13,845,527)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation/Amortization/Bad Debt Expense	281,005	930,986	2,260,823	1,343,264	1,500,291	835,667	7,152,036
Difference between Deferred Outflows Related to Pensions and OPEB	(90,862)	(299,169)	(9,802)	(411,473)	(1,310,703)	(600,104)	(2,722,113)
Difference between Deferred Inflows Related to Pensions and OPEB	(88,124)	(357,936)	(52,780)	(139,080)	(845,706)	(235,285)	(1,718,911)
Difference Between Net Pension/OPEB Liability	(131,012)	(673,549)	(167,805)	341,982	(369,628)	687,694	(312,318)
Change in Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	(12,050)	(172,293)	-	-	-	-	(184,343)
(Increase) Decrease in Other Receivable	(339,879)	244	-	-	-	-	(339,635)
(Increase) Decrease in Prepaid Expenses	-	-	-	-	-	-	-
(Increase) Decrease in Accounts Payable	99,378	(158,279)	56,615	572,929	(60,019)	(5,465)	505,159
(Increase) Decrease in Gross Receipts Taxes Payable	-	-	-	-	133	-	133
(Increase) Decrease in Compensated Absences Payable	(13,429)	(12,731)	(16,847)	(1,983)	(45,112)	1,936	(88,166)
(Increase) Decrease in Accrued Wages Payable	(2,254)	(3,181)	(4,773)	(4,420)	(103,990)	106,800	(11,818)
(Increase) Decrease in Other Liabilities	-	407	-	-	(1,847,444)	-	(1,847,037)
(Increase) Decrease in Customer Deposits	-	(6,382)	-	-	-	-	(6,382)
(Increase) Decrease in Unearned Revenue	-	-	-	47,970	-	-	47,970
Total Adjustments	<u>(297,227)</u>	<u>(751,883)</u>	<u>2,065,431</u>	<u>1,749,189</u>	<u>(3,082,178)</u>	<u>791,243</u>	<u>474,575</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (203,830)</u>	<u>\$ (313,763)</u>	<u>\$ 609,677</u>	<u>\$ (173,019)</u>	<u>\$ (10,571,374)</u>	<u>\$ (2,718,643)</u>	<u>\$ (13,370,952)</u>

**CITY OF SANTA FE, NEW MEXICO  
INTERNAL SERVICE FUNDS  
JUNE 30, 2021**

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.

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2021**

	<u>Risk Management</u>	<u>Health/ Dental</u>	<u>Workers' Compensation</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current Assets:			
Cash, Investments, and Cash Equivalents	\$ 1,813,962	\$ 4,781,286	\$ 6,031,642
Accounts Receivable	-	2,837	-
Interest Receivable	50	98	117
Other Receivable	-	13,777	-
Inventory	-	-	-
Total Current Assets	<u>1,814,012</u>	<u>4,797,998</u>	<u>6,031,759</u>
Capital Assets:			
Improvements	-	-	-
Furniture and Fixtures	-	-	-
Equipment and Machinery	6,812	-	-
Vehicles	35,829	-	-
Data Processing Equipment/Software	-	-	-
Construction in Progress	-	-	-
Less: Accumulated Depreciation	<u>(42,641)</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets, Net Accumulated Depreciation	-	-	-
Deferred Outflows of Resources:			
Deferred Outflows Related to Pension/OPEB Activity	<u>203,258</u>	<u>197,963</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>203,258</u>	<u>197,963</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,017,270</u>	<u>\$ 4,995,961</u>	<u>\$ 6,031,759</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Current Liabilities			
Accounts Payable	\$ 235,549	\$ 73,568	\$ 3,582
Pooled Cash - Overdraft	-	-	-
Accrued Wages Payable	14,736	14,133	-
Claims and Judgement Payable	<u>2,088,080</u>	<u>1,437,000</u>	<u>3,773,757</u>
Total Current Liabilities	<u>2,338,365</u>	<u>1,524,701</u>	<u>3,777,339</u>
Noncurrent Liabilities:			
Compensated Absences Payable	16,982	38,919	-
Net Pension Liability	597,073	582,105	-
Net OPEB Liability	<u>212,859</u>	<u>206,738</u>	<u>-</u>
Total Noncurrent Liabilities	<u>826,914</u>	<u>827,762</u>	<u>-</u>
Total Liabilities	<u>3,165,279</u>	<u>2,352,463</u>	<u>3,777,339</u>
Deferred Inflows of Resources:			
Deferred Inflows Related to Pension/OPEB Activity	<u>112,892</u>	<u>109,702</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>112,892</u>	<u>109,702</u>	<u>-</u>
Net Position:			
Net Investment in Capital Assets	-	-	-
Unrestricted	<u>(1,260,901)</u>	<u>2,533,796</u>	<u>2,254,420</u>
Total Net Position	<u>(1,260,901)</u>	<u>2,533,796</u>	<u>2,254,420</u>
Total Assets, Deferred Inflows, and Net Position	<u>\$ 2,017,270</u>	<u>\$ 4,995,961</u>	<u>\$ 6,031,759</u>

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Unemployment Fund	Services to Other Departments	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current Assets:			
Cash, Investments, and Cash Equivalents	\$ 219,425	\$ -	\$ 12,846,315
Accounts Receivable	-	-	2,837
Interest Receivable	-	-	265
Other Receivable	-	-	13,777
Inventory	-	32,311	32,311
Total Current Assets	219,425	32,311	12,895,505
Capital Assets:			
Improvements	-	10,518	10,518
Furniture and Fixtures	-	54,620	54,620
Equipment and Machinery	-	-	6,812
Vehicles	-	-	35,829
Data Processing Equipment/Software	-	659,679	659,679
Construction in Progress	-	215,133	215,133
Less: Accumulated Depreciation	-	(121,924)	(164,565)
Total Noncurrent Assets, Net Accumulated Depreciation	-	818,026	818,026
Deferred Outflows of Resources:			
Deferred Outflows Related to Pension/OPEB Activity	-	1,947,305	2,348,526
Total Deferred Outflows of Resources	-	1,947,305	2,348,526
Total Assets and Deferred Outflows of Resources	\$ 219,425	\$ 2,797,642	\$ 16,062,057
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Current Liabilities			
Accounts Payable	\$ 35,305	\$ 320,966	\$ 668,970
Pooled Cash - Overdraft	-	2,008,338	2,008,338
Accrued Wages Payable	-	168,435	197,304
Claims and Judgement Payable	-	-	7,298,837
Total Current Liabilities	35,305	2,497,739	10,173,449
Noncurrent Liabilities:			
Compensated Absences Payable	-	215,204	271,105
Net Pension Liability	-	5,717,092	6,896,270
Net OPEB Liability	-	2,042,363	2,461,960
Total Noncurrent Liabilities	-	7,974,659	9,629,335
Total Liabilities	35,305	10,472,398	19,802,784
Deferred Inflows of Resources:			
Deferred Inflows Related to Pension/OPEB Activity	-	1,082,887	1,305,481
Total Deferred Inflows of Resources	-	1,082,887	1,305,481
Net Position:			
Net Investment in Capital Assets	-	818,026	818,026
Unrestricted	184,120	(9,575,669)	(5,864,234)
Total Net Position	184,120	(8,757,643)	(5,046,208)
Total Assets, Deferred Inflows, and Net Position	\$ 219,425	\$ 2,797,642	\$ 16,062,057

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2021**

	<u>Risk Management</u>	<u>Health/ Dental</u>	<u>Workers' Compensation</u>
<b>OPERATING REVENUES</b>			
Other Revenues	\$ 2,257	\$ 65,246	\$ 53,704
Premiums	<u>4,717,508</u>	<u>20,479,837</u>	<u>93,990</u>
Total Operating Revenues	4,719,765	20,545,083	147,694
<b>OPERATING EXPENSES</b>			
Salaries, Wages, and Fringe Benefits	272,902	259,897	-
Contractual Services and Utilities	432,089	1,014,767	43,639
Repairs and Maintenance	-	-	-
Supplies	25,456	18,303	-
Capital Outlay - Inventory-Exempt Items	-	-	-
Depreciation Expense	-	-	-
Insurance Premiums	2,620,090	-	-
Claims and Judgments	2,116,762	20,320,750	587,922
BDD - Source of Supply	-	-	-
Other	<u>1,503</u>	<u>12,003</u>	<u>172</u>
Total Operating Expenses	<u>5,468,802</u>	<u>21,625,720</u>	<u>631,733</u>
Operating Income (Loss)	(749,037)	(1,080,637)	(484,039)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income (Loss)	1,315	2,550	3,056
Intergovernmental:			
Shared Taxes	-	-	-
Federal	-	-	-
State	80,150	3,410	-
Gain (Loss) on Sale of Capital Assets	-	-	-
Interest Expense	-	-	-
Premium (Discount) Debt Service Interest	-	-	-
Other Nonoperating Revenue (Expense)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>81,465</u>	<u>5,960</u>	<u>3,056</u>
Income (Loss) Before Transfers and Capital Contributions	(667,572)	(1,074,677)	(480,983)
Transfers In	-	-	-
Transfers Out	<u>(346,852)</u>	<u>(75,000)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	(1,014,424)	(1,149,677)	(480,983)
Net Position - Beginning of Year	<u>(246,477)</u>	<u>3,683,473</u>	<u>2,735,403</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ (1,260,901)</u>	<u>\$ 2,533,796</u>	<u>\$ 2,254,420</u>



**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Unemployment Fund	Services to Other Departments	Total
<b>OPERATING REVENUES</b>			
Other Revenues	\$ -	\$ -	\$ 121,207
Premiums	108,263	7,821,280	33,220,878
Total Operating Revenues	<u>108,263</u>	<u>7,821,280</u>	<u>33,342,085</u>
<b>OPERATING EXPENSES</b>			
Salaries, Wages, and Fringe Benefits	-	2,553,329	3,086,128
Contractual Services and Utilities	-	1,634,720	3,125,215
Repairs and Maintenance	-	409,593	409,593
Supplies	-	1,798,755	1,842,514
Capital Outlay - Inventory-Exempt Items	-	133,979	133,979
Depreciation Expense	-	66,560	66,560
Insurance Premiums	-	124,247	2,744,337
Claims and Judgments	39,704	-	23,065,138
BDD - Source of Supply	-	-	-
Other	-	216,976	230,654
Total Operating Expenses	<u>39,704</u>	<u>6,938,159</u>	<u>34,704,118</u>
Operating Income (Loss)	68,559	883,121	(1,362,033)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment Income (Loss)	-	-	6,921
Intergovernmental:			
Shared Taxes	-	-	-
Federal	-	-	-
State	-	239,397	322,957
Gain (Loss) on Sale of Capital Assets	-	-	-
Interest Expense	-	-	-
Premium (Discount) Debt Service Interest	-	-	-
Other Nonoperating Revenue (Expense)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>239,397</u>	<u>329,878</u>
Income (Loss) Before Transfers and Capital Contributions	68,559	1,122,518	(1,032,155)
Transfers In	-	215,133	215,133
Transfers Out	-	-	(421,852)
<b>CHANGE IN NET POSITION</b>	68,559	1,337,651	(1,238,874)
Net Position - Beginning of Year	<u>115,561</u>	<u>(10,095,294)</u>	<u>(3,807,334)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 184,120</u>	<u>\$ (8,757,643)</u>	<u>\$ (5,046,208)</u>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2021**

	Risk Management	Health/ Dental	Workers' Compensation
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 4,719,765	\$ 20,627,933	\$ 147,694
Cash Payments to Suppliers for Goods and Services	(5,097,641)	(21,721,318)	(1,105,243)
Cash Payments to Employees for Services	(335,581)	(272,778)	-
Net Cash Provided (Used) by Operating Activities	(713,457)	(1,366,163)	(957,549)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental Taxes and Grants	80,150	3,410	-
Transfers In from Other Funds	-	-	-
Transfers Out to Other Funds	(346,852)	(75,000)	-
Interfund Loan	-	-	1,273,294
Net Cash Provided (Used) by Noncapital Financing Activities	(266,702)	(71,590)	1,273,294
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and Construction of Capital Assets	-	-	-
Net Cash Used by Capital and Related Financing Activities	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and Dividends on Investments	3,672	7,124	8,538
Net Cash Provided (Used) by Investing Activities	3,672	7,124	8,538
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(976,487)	(1,430,629)	324,283
Cash, Investments, and Cash Equivalents - Beginning of Year	2,790,449	6,211,915	5,707,359
<b>CASH, INVESTMENTS, AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,813,962</u>	<u>\$ 4,781,286</u>	<u>\$ 6,031,642</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (749,037)	\$ (1,080,637)	\$ (484,039)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	-
Difference between Deferred Outflows Related to Pensions and OPEB	(109,543)	-	-
Difference between Deferred Inflows Related to Pensions and OPEB	(37,406)	-	-
Difference Between Net Pension/OPEB Liability	86,783	(105,672)	-
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	82,850	-
(Increase) Decrease in Accounts Payable	29,964	73,568	(1,388)
(Increase) Decrease in Compensated Absences Payable	(1)	(8,272)	-
(Increase) Decrease in Accrued Wages Payable	(2,512)	-	-
(Increase) Decrease in Inventory	-	-	-
(Increase) Decrease in Claims Payable	68,295	(328,000)	(472,122)
Total Adjustments	35,580	(285,526)	(473,510)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (713,457)</u>	<u>\$ (1,366,163)</u>	<u>\$ (957,549)</u>

**CITY OF SANTA FE, NEW MEXICO  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Unemployment Fund	Services to Other Departments	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers	\$ 108,263	\$ 7,788,969	\$ 33,392,624
Cash Payments to Suppliers for Goods and Services	(39,818)	(4,597,629)	(32,561,649)
Cash Payments to Employees for Services	-	(3,589,481)	(4,197,840)
Net Cash Provided (Used) by Operating Activities	<u>68,445</u>	<u>(398,141)</u>	<u>(3,366,865)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Intergovernmental Taxes and Grants	-	239,397	322,957
Transfers In from Other Funds	-	215,133	215,133
Transfers Out to Other Funds	-	-	(421,852)
Interfund Loan	-	735,044	2,008,338
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>1,189,574</u>	<u>2,124,576</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and Construction of Capital Assets	-	(826,200)	(826,200)
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(826,200)</u>	<u>(826,200)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and Dividends on Investments	-	34,767	54,101
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>34,767</u>	<u>54,101</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	68,445	-	(2,014,388)
Cash, Investments, and Cash Equivalents - Beginning of Year	<u>150,980</u>	<u>-</u>	<u>14,860,703</u>
<b>CASH, INVESTMENTS, AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 219,425</u>	<u>\$ -</u>	<u>\$ 12,846,315</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 68,559	\$ 883,121	\$ (1,362,033)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	66,560	66,560
Difference between Deferred Outflows Related to Pensions and OPEB	-	-	(109,543)
Difference between Deferred Inflows Related to Pensions and OPEB	-	-	(37,406)
Difference Between Net Pension/OPEB Liability	-	(1,023,646)	(1,042,535)
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	-	82,850
(Increase) Decrease in Accounts Payable	(114)	(279,359)	(177,329)
(Increase) Decrease in Compensated Absences Payable	-	1	(8,272)
(Increase) Decrease in Accrued Wages Payable	-	(12,507)	(15,019)
(Increase) Decrease in Claims Payable	-	(32,311)	(32,311)
(Increase) Decrease in Claims Payable	-	-	(731,827)
Total Adjustments	<u>(114)</u>	<u>(1,281,262)</u>	<u>(2,004,832)</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 68,445</u>	<u>\$ (398,141)</u>	<u>\$ (3,366,865)</u>

**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF DEPOSITS AND INVESTMENT ACCOUNTS**  
**JUNE 30, 2021**

	Type of Account	Bank or Cash Balance	Outstanding Checks	Deposits in Transit	Carrying Balance	Fair Value
Change, Imprest Funds	Petty Cash	\$ 5,575	\$ -	\$ -	\$ 5,575	\$ 5,575
Non-interest bearing deposits with Financial Institutions:						
Wells Fargo Bank - Common	Checking	17,442,712	6,420,627	1,034,211	12,056,296	12,056,296
Citibank - Santa Fe Health	Checking	354,372	234,554	339,754	459,572	459,572
Interest-Bearing Accounts with Financial Institutions:						
Wells Fargo Bank - General Liability	Checking	-	202,100	-	(202,100)	(202,100)
Wells Fargo Bank - Workers Compensation	Checking	-	59,980	-	(59,980)	(59,980)
Wells Fargo Bank - Credit Card	Checking	-	-	-	-	-
Wells Fargo Bank - Payroll	Checking	-	61,902	-	(61,902)	(61,902)
Sterling Bank - Solar Projects	Checking	16,840,644	-	-	16,840,644	16,840,644
Public Safety Corp. - Santa Fe Alarm Reduction	Checking	77,847	4,729	-	73,118	73,118
State Employees Credit Union - Savings Account	Savings	51	-	-	51	51
State Employees Credit Union - Southside Library	Trust	269,786	-	-	269,786	269,786
New Mexico Finance Authority - Railyard Market Station	Trust	181,385	-	-	181,385	181,385
New Mexico Finance Authority - College of Santa Fe	Trust	1	-	-	1	1
New Mexico Finance Authority - Environmental Services	Trust	75,617	-	-	75,617	75,617
New Mexico Finance Authority - 2008 CGR CIP Bond	Trust	561	-	-	561	561
New Mexico Finance Authority - Land Acquisition	Trust	2,944	-	-	2,944	2,944
New Mexico Finance Authority - Convention Center	Trust	11	-	-	11	11
New Mexico Finance Authority - Parking	Trust	2,924	-	-	2,924	2,924
New Mexico Finance Authority - Water Division	Trust	1,733	-	-	1,733	1,733
Guadalupe Credit Union - CD	Time Deposit	262,610	-	-	262,610	262,610
State Employees Credit Union - CD	Time Deposit	259,551	-	-	259,551	259,551
<b>Total Bank and Carrying Balances</b>		<b>35,778,324</b>	<b>6,983,892</b>	<b>1,373,965</b>	<b>30,168,397</b>	<b>30,168,397</b>
Investment Accounts:						
Wells Fargo Government Money Market - Cash	Investment	205,052,458	-	-	205,052,458	205,052,458
Wells Fargo Government Money Market - Restricted Cash	Investment	173,137	-	-	173,137	173,137
Blackrock Prime Inst. #24	Investment	25,364,701	-	-	25,364,701	25,364,701
Fidelity Prime MM Port #2014	Investment	94	-	-	94	94
JP Morgan Prime MM #3605	Investment	22,338,163	-	-	22,338,163	22,338,163
JP Morgan Prime MM #3605 - Restricted Cash	Investment	4,660,600	-	-	4,660,600	4,660,600
New Mexico State Treasurer's Office - LGIP	Investment	40,000,767	-	-	40,000,767	40,000,767
<b>Total Investment Balances</b>		<b>297,589,920</b>	<b>-</b>	<b>-</b>	<b>297,589,920</b>	<b>297,589,920</b>

**CITY OF SANTA FE, NEW MEXICO  
SCHEDULE OF PLEDGED COLLATERAL  
(MARKET VALUE)  
JUNE 30, 2021**

	Bank Balance	Total Unsecured Public Funds	Pledge Securities Market Value	Maturity Date
<b>WELLS FARGO BANK</b>				
<u>Noninterest Bearing Accounts</u>				
Common Checking	\$ 17,442,712			
Total Checking Requiring Collateral	17,442,712			
Federal Depository Insurance - \$250,000 on NIB*	(250,000)			
Total Unsecured Public Funds (Checking)		\$ 17,192,712		
<u>Collateral Held by Bank of New York Mellon</u>				
3132ADMWV6 FMAC FEPC 3.000%			\$ 17,933,146	03/01/30
3138WG5F7 FNMA FNMS 2.500%			1,279,000	05/01/31
Total Pledged Collateral			19,212,146	
Difference Between Pledged Collateral and Unsecured Funds			2,019,434	
50% Pledged Collateral Requirement			8,596,356	
Total Pledged Collateral			19,212,146	
Pledged Collateral (Over) Under 50% Requirement			\$ (10,615,790)	
<b>Sterling National Bank</b>				
<u>Noninterest Bearing Accounts</u>				
Common Checking	\$ 16,840,644			
Total Checking Requiring Collateral	16,840,644			
Federal Depository Insurance - \$250,000 on NIB*	(250,000)			
Total Unsecured Public Funds (Checking)		\$ 16,590,644		
<u>Collateral Held by Bank of New York Mellon</u>				
Revenue Bonds:				
34153QKX3 FLORIDA ST BRD 3.000%			\$ 2,207	06/01/36
419792HZ2 HAWAII ST 3.000%			3,444,160	04/01/32
64972EUQ0 NEW YORK NYC 2.653%			10,027	11/01/36
64972GDQ4 NEW YORK NYC 5.000%			13,401,443	06/15/35
6777522RD8 OHIO ST 5.000%			6,252	05/01/30
6777522VL5 OHIO ST 5.000%			266,879	09/15/26
8827236U8 TEXAS ST 5.000%			6,301	10/01/32
97705MDF9 WISCONSIN ST 5.000%			23,455	05/01/34
97705MLS2 WISCONSIN ST 4.000%			17,161	05/01/36
Total Pledged Collateral			17,177,885	
Difference Between Pledged Collateral and Unsecured Funds			587,241	
50% Pledged Collateral Requirement			8,295,322	
Total Pledged Collateral			17,177,885	
Pledged Collateral (Over) Under 50% Requirement			\$ (8,882,563)	

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

**CITY OF SANTA FE, NEW MEXICO  
SCHEDULE OF JOINT POWER AGREEMENTS  
YEAR ENDED JUNE 30, 2021**

Participants	Responsible Party	Description	Dates of Agreement	Total Amount/ City Share	FYE 6/30/2021 Amount	Reporting Party	Audit Responsibility
<b>Joint Agreement with County of Santa Fe</b>							
City of Santa Fe and County of Santa Fe	Both, BDD Board	To operate and Manage the Buckman Direct Diversion Water Project	Date of Approval by DFA to Termination by Either Party's Governing Body	50%	\$ 8,122,345	BDD Board	BDD Board
<b>Joint Agreement with County of Santa Fe</b>							
City of Santa Fe and County of Santa Fe	Both, SWMA	To operate and Manage the Santa Fe Solid Waste Management Agency	Date of Approval by DFA to Termination by Either Party's Governing Body	50%	\$ 2,429,238	SWMA	SWMA
<b>Joint Agreement with Other Participants</b>							
City of Santa Fe and New Mexico Taxation and Revenue Department	Both	City to Issue CRS Numbers Necessary for the Purpose of Registering a Business in New Mexico	7/1/2016 to 6/30/2026	0%	\$ -	City	City

**SINGLE AUDIT SECTION**



**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2021**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Total Federal Expenditures	Amount Passed Through to Subrecipients
<b>U.S. Department of Agriculture:</b>				
Watershed Restoration and Enhancement	10.693		\$ 10,322	\$ -
<b>Total U.S. Department of Agriculture</b>			10,322	-
<b>U.S. Department of Housing and Urban Development</b>				
<b>Direct Programs:</b>				
CDBG-Entitlement Grants Cluster:				
Community Development Block Grant	14.218		373,739	373,739
COVID-19 - Community Development Block Grant	14.218		361,227	161,193
<b>Total CDBG-Entitlement Grants Cluster</b>			<u>734,966</u>	<u>534,932</u>
<b>Total U.S. Department of Housing and Urban Development</b>			734,966	534,932
<b>U.S. Department of Justice:</b>				
Department of Justice Direct Programs:				
Comprehensive Opioid Abuse Site-Based Program	16.838		16,701	-
<b>Total Department of Justice Direct Program</b>			<u>16,701</u>	<u>-</u>
<b>Total U.S. Department of Justice</b>			16,701	-
<b>U.S. Department of Transportation:</b>				
Federal Aviation Administration Direct Program:				
Airport Improvement Grant #43	20.106		192,472	-
Airport Improvement Grant #49	20.106		2,093,605	-
COVID-19 - Airport Improvement Grant #51	20.106		537,561	-
Airport Improvement Grant #52	20.106		878,798	-
Airport Improvement Grant #53	20.106		396,214	-
<b>Total Airport Improvement Grants</b>			<u>4,098,650</u>	<u>-</u>
<b>Total Federal Aviation Administration Direct Program</b>			4,098,650	-
Department of Transportation Direct Program:				
Interagency Hazardous Materials Public-Sector Training and Planning	20.703		35,682	-
<b>Total Department of Transportation Direct Program:</b>			<u>35,682</u>	<u>-</u>
New Mexico Highway and Transportation Department				
Highway Planning and Construction Cluster				
Metropolitan Transportation Planning	20.505	D18464	19,336	-
Metropolitan Transportation Planning	20.505	M01628	89,555	-
Metropolitan Transportation Planning	20.505	D16022	574,210	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	20-AL-64-090	28,749	-
Federal Transit Cluster				
Federal Transit Cluster (Riderfinder)	20.507	M01223 FY2018	57,461	-
Federal Transit Formula Grant (Sec 5307 Operating)	20.507	N.M.D.O.T. 5307	1,750,904	-
COVID-19 - Federal Transit Formula Grant (Sec 5307 CARES Act)	20.507		4,989,235	-
<b>Total Federal Transit Cluster</b>			<u>6,797,600</u>	<u>-</u>
<b>Total Department of Transportation Passed-Through</b>			<u>7,509,450</u>	<u>-</u>
<b>Total Department of Transportation</b>			11,643,782	-
<b>U.S. Department of Treasury:</b>				
New Mexico Department of Finance and Administration:				
Coronavirus Relief Fund	21.019		17,580,958	-
<b>Total New Mexico Department of Finance and Administration Passed-Through</b>			<u>17,580,958</u>	<u>-</u>
<b>Total Department of Treasury</b>			17,580,958	-

See accompanying Notes to SEFA

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's Number	Total Federal Expenditures	Amount Passed Through to Subrecipients
<b>U.S. Department of Health and Human Services:</b>				
Passed-Through NM State Agency on Aging/NCNMEDD:				
Title III-B	93.044	2017-18-60026	\$ 74,169	\$ -
COVID-19 - Title III-B SSC3	93.044		46,911	-
Total NM State Agency on Aging/NCNMEDD			<u>121,080</u>	<u>-</u>
NM State Agency on Aging/NCNMEDD:				
Title III-C-1	93.045		93,099	-
COVID-19 - Title III-C-1 FFRORA	93.045		20,450	-
Title III-C-2	93.045		30,260	-
COVID-19 - Title III-C-2 FFRORA	93.045		40,902	-
COVID-19 - Title III HDC3	93.045		95,057	-
Total NM State Agency on Aging/NCNMEDD			<u>279,768</u>	<u>-</u>
NM State Agency on Aging/NCNMEDD:				
NSIP	93.053	2017-18-60026	111,076	-
Total NM State Agency on Aging/NCNMEDD			<u>111,076</u>	<u>-</u>
Total Aging Cluster			<u>511,924</u>	<u>-</u>
NM State Agency on Aging/NCNMEDD:				
Title III-E	93.052		77,760	-
COVID-19 - Title III-E FCC3	93.052		23,514	-
Total NM State Agency on Aging/NCNMEDD			<u>101,274</u>	<u>-</u>
NM State Agency on Aging/NCNMEDD:				
FR CARA	93.788		20,314	-
Total NM State Agency on Aging/NCNMEDD			<u>20,314</u>	<u>-</u>
<b>Total U.S. Department of Health and Human Services</b>			633,512	-
<b>Corporation for National and Community Service:</b>				
Passed-Through NM State Agency on Aging/NCNMEDD:				
Foster Grandparent/Senior Companion Cluster Program	94.011	18-624-4000-0024	39,191	-
Total Foster Grandparent/Senior Companion Cluster Program			<u>39,191</u>	<u>-</u>
Retired Senior Volunteer Program	94.002	18-624-4000-0024	50,000	-
Total Retired Senior Volunteer Program			<u>50,000</u>	<u>-</u>
AmeriCorps	94.006	18-624-4000-0024	18,929	-
Total AmeriCorps Program			<u>18,929</u>	<u>-</u>
Total Passed-Through NM State Agency on Aging			<u>108,120</u>	<u>-</u>
<b>Total Corporation for National and Community Service</b>			108,120	-
<b>U.S. Department of Homeland Security:</b>				
Homeland Security Grant Program	97.067		35,341	-
Total Homeland Security Grant Program			<u>35,341</u>	<u>-</u>
<b>Total U.S. Department of Homeland Security</b>			35,341	-
<b>Total Expenditures of Federal Awards</b>			<u>\$ 30,763,702</u>	<u>\$ 534,932</u>

See accompanying Notes to SEFA

**CITY OF SANTA FE, NEW MEXICO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021**

**General**

---

The following is a reconciliation of the total federal awards of the City of Santa Fe for the year ended June 30, 2021:

Governmental Funds - Federal Revenue	\$ 1,534,508
Enterprise Funds - Federal Revenue	12,695,313
Governmental Funds - State Revenue	17,580,958
Governmental Funds - Deferred Inflows of Resources	(1,938,443)
Governmental Funds - Other Reconciling Items	891,366
	\$ 30,763,702

**Basis of Accounting**

---

The accompanying supplemental schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements.

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

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

The City has no federally funded insurance.

The 2021 SEFA includes expenses incurred in the year ended 2020 in the following programs/amounts:

14.218 CDBG	\$ 85,499
20.505 Metropolitan Planning Grant	390,952
21.019 COVID-19 Coronavirus Relief Fund	4,074,404
	\$ 4,550,855

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

Joseph M. Maestas, P.E.  
The Office of Management and Budget  
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 comparison of the general fund of the City of Santa Fe, New Mexico (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 30, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, 2021-003, and 2021-004 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with

governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-005, 2021-006, and 2021-007 to be significant deficiencies.

### **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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-009 and 2021-013.

We noted certain matters that are required to be reported pursuant to Section 12-6-5 NMSA 1978, which are described in the accompanying schedule of findings and questioned costs under Section 12-6-5 NMSA 1978 as items 2021-015, 2021-016, 2021-017, 2021-018, 2021-019, 2021-020, 2021-021, and 2021-022.

### **City's Responses to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carr, Riggs & Ingram, L.L.C.*

Carr, Riggs & Ingram, LLC  
Albuquerque, New Mexico  
June 30, 2023

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

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Santa Fe's (the "City") compliance with the types of compliance requirements described 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, 2021. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

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

We believe that our audit provides a reasonable basis for our qualified opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### ***Basis for Qualified Opinion on Airport Improvement Program and Federal Transit Cluster***

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding the Airport Improvement Program, assistance listing number 20.106, as described in finding number 2021-009 for Matching and Financial Reporting. In addition, the City did not comply with requirements regarding the Federal Transit Cluster, assistance listing number 20.507, as described in finding number 2021-013 for Cash Management. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

### ***Qualified Opinion on Airport Improvement Program and Federal Transit Cluster***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Airport Improvement Program and the Federal Transit Cluster for the year ended June 30, 2021.

### ***Unmodified Opinion on the Other Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the other major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

### ***Other Matters***

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

### **Report on Internal Control over Compliance**

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

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-008, 2021-009, 2021-012 and 2021-013 to be material weaknesses.

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 2021-010, 2021-011 and 2021-014 to be significant deficiencies.

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

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

*Carr, Riggs & Ingram, L.L.C.*

Carr, Riggs & Ingram, LLC  
Albuquerque, New Mexico  
June 30, 2023



**State of New Mexico  
City of Santa Fe  
Schedule of Findings and Questioned Costs  
June 30, 2021**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | Yes        |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes        |
| c. Noncompliance material to the financial statements noted?                     | Yes        |

*Federal Awards:*

- |  |                      |
|--|----------------------|
| 1. Type of auditors’ report issued on compliance for major programs  | Qualified/Unmodified |
| 2. Internal control over major programs:   |                      |
| a. Material weaknesses identified?   | Yes                  |
| b. Significant deficiencies identified not considered to be material weaknesses?                             | Yes                  |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | Yes                  |

4. Identification of major programs:

Assistance Listing Number	Federal Program
20.106	Airport Improvement Program
20.507	Federal Transit Cluster
21.019	COVID-19 – Coronavirus Relief Fund

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$899,388 |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520?               | No        |

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**2021-001 (originally 2019-007) – Schedule of Expenditures of Federal Awards and Internal Controls over Grant Reporting (Material Weakness) (repeated/modified)**

*Condition:* The following items were noted over the course of the audit:

- The Schedule of Expenditures of Federal Awards had to be revised due to various inaccuracies in the amount of expenditures reported. In total, there were three iterations of the schedule provided to the auditor which included variations in total expenditures of between \$28 thousand and \$2.5 million. The net effect of all adjustments from the initial schedule to the final totaled \$711 thousand. In addition, expenditures incurred in 2020 of approximately \$4.5 million were not reported on the 2020 SEFA.
- The City's financial system is not set up to properly identify and segregate grant funding sources and expenditures to allow for accurate financial reporting.
- The City's process for tracking grant funding by source is not designed to allow for timely and accurate reporting.

*Management's Progress on Repeat Findings:* The City has had difficulty accumulating grant related financial records and subledgers, primarily in older fiscal periods. 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.

*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.

*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. Additionally, there has been a lack of consistency in the City's key grant management positions due to turnover and the involvement of multiple consultants since the issuance of the fiscal year 2020 audit.

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

*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 work with its Grants Manager 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, 2021**

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

**2021-001 (originally 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:* The City agrees with this finding. During fiscal year 2020 the City underwent an extensive accounting software conversion going from the JD Edwards system (which had been utilized by the City since 1999) to the new MUNIS system. Also, due to the impact of the COVID-19 pandemic and the Finance Department being severely understaffed, the preparation of the Schedule of Expenditures of Federal Awards (SEFA) became extremely difficult. In FY21, the City brought in an outside contractor to assist staff with the SEFA preparation and in FY23, the new Finance Director, Chief Procurement Officer, and Grants Manager are working toward improved Grant Compliance. The new Grants Manager is being assisted in FY22 SEFA preparation by consultants from an independent public accounting firm that performed previous audits of the City and has extensive expertise in governmental accounting and financial reporting. 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, which is now scheduled for training and testing by the Grants Office in FY24, and full implementation for FY25. This implementation will allow for expenditures to be properly coded and tracked in MUNIS, as well as for a MUNIS generated SEFA.

*Responsible Official:* Finance Director and Grants Manager

*Timeline and Estimated Completion Date:* July 1, 2024

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-002 (originally 2018-001) – 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 and is utilizing the help of a consultant with the aim of catching up on its financial close schedule by the end of fiscal year 2023.

*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, lack of staffing and virtual working due to the COVID-19 pandemic.

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

*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:* The City agrees with this finding. During FY20 and FY21, there were several finance position vacancies due to the pandemic that slowed progress on the transition to the MUNIS ERP software. Staffing changes also resulted in a loss of institutional knowledge regarding monthly and year end closing processes and new staff needed guidance on closing within the new ERP. In FY22 and FY23, the City sent key staff members to the annual MUNIS Connect trainings and implemented a hard close in the ERP system. In FY23, 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. The consultants are providing audit preparation services and operational support, including the implementation of monthly closing procedures.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-002 (originally 2018-001) – Internal Controls over Financial Close and Reporting (Material Weakness)  
(repeated/modified) (Continued)**

Additionally, the Finance Department, in the post pandemic environment, has been able to hire qualified key staff members to fill key positions and implement hard close procedures for both FY22 and FY23. In addition to the annual close processes, a monthly close process was implemented and maintained throughout FY23.

*Responsible Official:* Finance Director and Controller (in-process of hiring)

*Timeline and Estimated Completion Date:* September 30, 2023

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-003 (previously 2020-004) – Controls over Journal Entries (Material Weakness) (repeated/modified)**

*Condition:* The following issues were identified related to journal entries entered by the City:

- The City utilized various consultants throughout fiscal year 2021 to assist the Finance Department. Many of the journal entries proposed were initially duplicated, reversed, and/or reposted to clean up the general ledger after the close of the fiscal year. This caused disorganization in the general ledger and difficulty connecting the proposed entries to the relevant paper trail at the close of the fiscal year and during the 2021 audit. Additionally, many of these entries did not have support posted in MUNIS that clearly agrees to the underlying adjustment.

*Management's Progress on Repeat Findings:* Since the issuance of the 2020 audit, the City appears to be consistently attaching journal entry support within MUNIS for entries proposed by the City. However, there are still some manual entries initially proposed by the City's consultants during fiscal year 2021 that do not consistently have support and/or attachments in MUNIS.

*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 well-designed control activities is a process for reviewing and maintaining supporting documentation for manual journal entries.

*Cause:* Lack of adequate processes and resources in place to properly review journal entries prior to posting to the general ledger. In addition, lack of staffing and virtual working due to the COVID-19 pandemic.

*Effect:* This caused disorganization in the general ledger and difficulty connecting the proposed entries to the relevant paper trail at the close of the fiscal year and during the 2021 audit.

*Auditor recommendation:* The City should develop a protocol for timely reviewing proposed journal entries by its consultants that focuses on posting entries in an understandable and trackable fashion. Additionally, the City should require that any journal entries, regardless of how they originated, be supported by documentation that agrees to the adjustment.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. The City contracted with multiple auditing/accounting firms to assist with the audit preparation for the FY21 audit and it was anticipated that the work papers and journal support would be provided at the end of the engagement. Upon review of the adjusting journal entries, it was found that the documentation was in many cases an Excel file that referenced additional documentation that was maintained in a software that the City did not have access to. During the FY21 audit process access to these files was requested, but when access was provided, it was difficult to discern how the support tied to the entries.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-003 (previously 2020-004) – Controls over Journal Entries (Material Weakness) (repeated/modified)  
(Continued)**

The Finance Director instructed all City Finance staff and the current audit preparation contractors that all journal entries for FY22, FY23 and all subsequent years must have supporting documentation that clearly shows the necessity and rationale for the entry, attached within the MUNIS Content Manager module, no matter how large the supporting files.

*Responsible Official:* Finance Director, Accounting Officer (in-process of hiring), and Controller (in-process of hiring)

*Timeline and Estimated Completion Date:* September 30, 2023

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-004 (previously 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 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.
- The City is not actively reconciling the Pooled Cash Assets to the claims on the accounts by the various funds of the City and the other entities participating in the pool.
- The entries to record the income to the funds and other entities participating in the pool needed adjustments to accurately capture expenses of the pool and reverse the income activity that was accrued in the prior year.

*Management's Progress on Repeat Findings:* The City's management along with its consulting accountant have been worked 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.

*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. In addition, lack of staffing and virtual working due to the COVID-19 pandemic.

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

*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.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. As stated above, the COVID-19 pandemic and a lack staffing created delays in completing bank reconciliations. The City has 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.



**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-004 (previously 2020-008) – Controls over Cash Balances (Material Weakness) (repeated/modified)  
(Continued)**

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. It is anticipated that the Controller position will be filled in early FY24, this key position will be responsible for revising and maintaining cash reconciliation and NSF reconciliation processes in coordination with the Treasury Officer.

*Responsible Official:* Finance Director, Treasury Officer, Controller (in the process of hiring).

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

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-005 – Management of Professional Consultants (Significant Deficiency)**

*Condition:* Controls were not designed effectively to oversee the work of professional consultants and ensure the City received adequate services. During fiscal year 2021, the City's Finance Department utilized multiple consultants to assist with clearing findings identified during the fiscal year 2020 audit, the financial close and reporting, monthly and annual reconciling activities, and federal grant programs during staffing shortages resulting from the COVID-19 pandemic. The services were spread across six vendors and cost approximately \$450 thousand during the 2021 fiscal year. Many of the areas the City was assisted with continue to have internal control and process deficiencies.

*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 well-designed control activities is incorporating adequate levels of review throughout the control processes, including those performed by service providers.

*Cause:* Due to the COVID-19 pandemic, the City experienced staffing shortages throughout the 2021 fiscal year. As such, it was difficult for the City to appropriately manage, oversee, and evaluate the results of services provided by the consulting parties. Additionally, the consulting services being spread across multiple vendors resulted in inconsistent documentation depending on the area a given vendor was working with.

*Effect:* The City's 2021 yearend financial close was delayed along with the fiscal year 2021 audit.

*Auditor recommendation:* The City should continue to work with a limited number of consultants to cover staffing shortages in the future. A process should be in place to ensure that the services rendered are appropriately managed, overseen and evaluated by the City on a consistent basis. When possible, the City should hire full time staff into the Finance Department when qualified individuals are available in lieu of using professional consultation.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. The Finance Department is striving to hire qualified staff members to be responsible for the areas that contractors assisted with for the FY21 audit. These hires include a qualified Finance Director, a CPA with a broad background in government finance in September 2022; a Grants Manager with over 25 years' experience with Federal and State Grants and the compliance requirements thereof, also in September 2022; and a certified Chief Procurement Officer with over ten years of experience in the State General Services Department's State Purchasing Division in February 2023. The City is also currently recruiting for Accounting Officer, Controller and Accounting Manager positions.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-005 – Management of Professional Consultants (Significant Deficiency) (Continued)**

In addition to recruiting and hiring experienced and credentialed staff, the City has contracted with an independent public accounting firm for consulting services including audit preparation and operational support. The consultant is a former auditor of the City and has extensive experience in governmental accounting and auditing in New Mexico. The City's relationship with the consultant provides access to a nationwide network of accounting and finance professionals who bring a wealth of skills and experience to support the City's efforts to complete and submit its annual audits to the Office of the State Auditor. In FY23, the City consolidated down to one accounting consultant, which has replaced the various other contractors engaged in FY21.

The Finance Director and key management staff from the Finance Department have a standing weekly meeting with the consultants to discuss priorities and monitor work progress. Topic-specific meetings and informal communications occurs continuously between City Finance staff and the consultants. The consultants are also providing on-site training and support to City staff. The consultant provides weekly timesheets illustrating the number of hours worked by each team member, and descriptions of the work performed. Prior to authorizing payment of the consultant's bi-weekly invoices City staff review the weekly timesheets and reconcile them to the invoices.

*Responsible Official:* Finance Director, Accounting Officer (in-process of hiring), and Controller (in-process of hiring)

*Timeline and Estimated Completion Date:* September 30, 2023

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-006 (originally 2019-012) – CDBG Reporting (Significant Deficiency) (repeated/modified)**

*Condition:* The City submitted reports prior to the reporting period end and could not provide the backup supporting documentation to ensure accuracy. Since the reports were submitted before the end of the year of the period that they related to, the information contained was likely not complete.

*Management's Progress on Repeat Findings:* No progress in FY2021.

*Criteria:* Per Title 2 US Code of Federal Regulations Part 200.302, requires non-Federal entities to accurately report financial information to Federal awarding agencies. 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).

*Cause:* The City has not implemented controls to prepare reports, supported by underlying records, timely and approved by the Housing Director prior to submitting to the Grantor Agency by the due date after the reporting period.

*Effect:* The City may report inaccurate information to the Grantor Agency which in turn could lead to repayment of funds to the Grantor agency or decrease in funding in following grant years.

*Auditor recommendation:* We recommend the City put policies and procedures in place to ensure reports are properly prepared, supported by underlying records, timely and reviewed by the Housing Director prior to submission to the Grantor agency after the reporting period ends.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In September 2021, the City hired an experienced Grants Analyst to specifically assist the Office of Affordable Housing with the compliance requirements of its CDBG awards. Shortly after in December 2021, the City also hired an experienced Community Development Housing Manager and contracted with a CDBG expert to help the City move into compliance. The contract CDBG expert is providing both assistance with IDIS reporting and strategic planning to ensure CDBG milestones are reached. In addition, the Grants Manager hired in September 2022 has experience managing HUD grant awards. Through these efforts, significant improvements have been made in FY22 and FY23.

*Responsible Official:* Finance Director, Grants Manager, Affordable Housing Director, Community Development Housing Manager, and the assigned Grants Analyst.

*Timeline and Estimated Completion Date:* September 30, 2023

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-007 (originally 2019-015) – CDBG Program Income (Significant Deficiency) (repeated/modified)**

*Condition:* During our testing of prior year finding follow-up, we noted program income reported in the IDIS report were not included in the financial records. In addition, the IDIS report did not include backup supporting documentation.

*Management's Progress on Repeat Findings:* No progress in FY2021.

*Criteria:* Per Title 2 US Code of Federal Regulations Part 200.302, requires non-Federal entities to accurately report financial information to Federal awarding agencies. 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).

*Cause:* The City has not implemented controls to prepare reports, supported by underlying records, timely and approved by the Housing Director prior to submitting to the Grantor Agency.

*Effect:* Lack of sufficient controls over program income reporting resulted in reports not supported by backup documentation or agreeing to financial records.

*Auditor recommendation:* We recommend the City implement a process and design controls to ensure the program income generated is entered into IDIS on a quarterly basis and maintain records related to program income. The process should include the City to move towards maintaining the files in an electronic form and Finance and Program personnel of the City to communicate with each other regarding the administration of the CDBG program.

*Views of Responsible Officials and Planned Corrective:* The City agrees with this finding. As mentioned in finding 2021-006, the City has made significant strides in hiring qualified staff and consultants to bring the City's CDBG program into full compliance. Program income controls were implemented in FY22, program income was captured at the end of FY22 and reprogramed for FY23 through the efforts of the assigned Grants Analyst and the Community Development Housing Manager. Grant and program staff, along with the CDBG expert consultant, have established a weekly meeting schedule, with more frequently meetings scheduled as needed, to ensure communication and oversight per the HUD guidelines and IDIS reporting requirements.

*Responsible Official:* Finance Director, Grants Manager, Affordable Housing Director, Community Development Housing Manager, and the assigned Grants Analyst

*Timeline and Estimated Completion Date:* September 30, 2023

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

**SECTION III – FEDERAL AWARD FINDINGS**

**2021-008 (previously 2020-015) – Equipment and Real Property Management (Material Weakness)  
(repeated/modified)**

*Federal Program Information*

Funding Agency:	U.S. Department of Transportation – Federal Aviation Administration
Federal Award Agreement Number:	SAF-SWG-3-35-0037-043-2016, SAF-SWG-3-35-007-49-2019, SAF-SWG-3-35-0037-056-2021, SAF-SWG-3-35-0037-052-2020, SAF-SWG-3-35-0037-053-2020
Award Year:	2021
Title:	Airport Improvement Program
Assistance Listing Number:	20.106
Pass-through Agency:	Not Applicable, Direct Program
Pass-through Identification Number:	Not Applicable, Direct Program

*Condition:* The City was not able to provide an equipment listing tracking all items purchased with federal funding nor did the City conduct a physical inventory.

*Management’s Progress on Repeat Findings:* – No progress in FY2021.

*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 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.

Per 2 CFR 200.313(d)(2), a physical inventory of program property must be taken and the results reconciled with the property records at least once every 2 years.

*Questioned costs:* Not applicable

*Effect:* The City could dispose of or lose federally funded equipment without following federal guidelines.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-008 (previously 2020-015) – Equipment and Real Property Management (Material Weakness)  
(repeated/modified) (Continued)**

*Cause:* The City is not following policy and procedures to ensure that equipment purchased with federal funds is maintained and tracked and the City performing a physical inventory at a minimum of every two years.

*Auditor recommendation:* We recommend the City enhance the design of its control activities and policies and procedures should be developed to ensure physical inventories are taken at least once every two years and that they create a tool to assist in tracking and maintaining equipment purchased with federal funds.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In November 2022 the City hired a new Airport Manager with substantial experience managing municipal airports and 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 the equipment inventory. During FY24 the Finance Director, the Controller will work with the Airport Manager to improve the internal controls over equipment purchased with federal funds. Policies and procedures will be developed to ensure that a physical inventory is conducted at least once every two years. Tools will be developed to facilitate tracking and maintaining equipment purchased with federal funds. In FY24 the Grants Manager will provide Uniform Guidance training to City staff which will include capital assets and equipment information.

*Responsible Official:* Finance Director, Airport Manager, Controller (in-process of hiring), Grants Manager

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

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-009 – Matching and Financial Reporting (Material Noncompliance and Material Weakness)**

*Federal Program Information*

Funding Agency:	U.S. Department of Transportation – Federal Aviation Administration
Federal Award Agreement Number:	SAF-SWG-3-35-0037-043-2016, SAF-SWG-3-35-007-49-2019, SAF-SWG-3-35-0037-056-2021, SAF-SWG-3-35-0037-052-2020, SAF-SWG-3-35-0037-053-2020
Award Year:	2021
Title:	Airport Improvement Program
Assistance Listing Number:	20.106
Pass-through Agency:	Not Applicable, Direct Program
Pass-through Identification Number:	Not Applicable, Direct Program

*Condition:* The City did not submit FFR reports for 3 grants and for 1 grant the City submitted late with no supporting backup documentation to test accuracy of report.

*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.

*Questioned costs:* Not applicable

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

*Cause:* The City did not have sufficient controls in place to review and approve reports ensuring accuracy and timeliness of reports to the grantor agency.

*Auditor recommendation:* We recommend the City strengthen the controls in place to provide assurance Federal Financial Reports are submitted accurately an in a timely fashion to the grantor agency.



**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-009 – Matching and Financial Reporting (Material Noncompliance and Material Weakness)  
(Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In November 2022 the City hired a new Airport Manager with substantial experience managing municipal airports and federal funding for airports. In FY2024 the Finance Director and the Grants Manager will work with the Airport Manager to implement controls to provide assurance that Federal Financial Reports are submitted accurately and in a timely fashion to the grantor agency.

*Responsible Official:* Finance Director, Airport Manager, Grants Manager

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

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-010 – Special Test and Provision, Wage Rate Requirement (Significant Deficiency)**

*Federal Program Information*

Funding Agency:	U.S. Department of Transportation – Federal Aviation Administration
Federal Award Agreement Number:	SAF-SWG-3-35-0037-043-2016, SAF-SWG-3-35-007-49-2019, SAF-SWG-3-35-0037-056-2021, SAF-SWG-3-35-0037-052-2020, SAF-SWG-3-35-0037-053-2020
Award Year:	2021
Title:	Airport Improvement Program
Assistance Listing Number:	20.106
Pass-through Agency:	Not Applicable, Direct Program
Pass-through Identification Number:	Not Applicable, Direct Program

*Condition:* The City contract to contractor Albuquerque Asphalt, Inc. did not provide the required clauses by the Wage Rate Requirement, previously known as the Davis-Bacon Act.

*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 Appendix II to Part 200, all contracts made by the non-Federal entities under the federal award must contain provisions covering the following, (D) Davis-Bacon Act, as amended (40 U.S.C. 3141–3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141–3144, and 3146–3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”).

*Questioned costs:* Not applicable

*Effect:* The City could enter into a contract agreement with contractors who are not familiar with the Davis-Bacon act and not follow requirements to pay laborers a prevailing wage weekly. This could lead to disallowed costs charged to the grant and/or repayment to the Grantor agency.

*Cause:* The City did not have sufficient controls in place to ensure the required clauses related to the Wage Rate requirement were listed in the contractor’s contract.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-010 – Special Test and Provision, Wage Rate Requirement (Significant Deficiency) (Continued)**

*Auditor recommendation:* We recommend the City strengthen the controls in place to provide assurance that contract agreements entered into with subcontractors contain the required clauses set by the Davis-Bacon act.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In September of 2022, the City hired a highly qualified Grants Manager who has been continuously working with City Departments that receive grant funding to raise awareness of requirements such as the need to include specific contract clauses in agreements funded with federal dollars. In February 2023, the City hired a certified Chief Procurement Officer (CPO) with over ten years of experience in the State General Services Department's State Purchasing Division. The CPO is working to increase awareness of the City's Procurement policies and procedures through trainings for City departments and the development of checklists and guides to ensure compliance. During FY24 the Finance Director, the Grant Manager, and the Purchasing Officer will work with the Assistant City Attorney responsible for contract review to improve the internal controls over contracts funded with federal funds. Policies and procedures will be developed to ensure that all contract agreements entered into with federal funds contain the required clauses set by the Davis-Bacon act.

*Responsible Official:* Finance Director, Grant Manager, Purchasing Officer, Assistant City Attorney

*Timeline and Estimated Completion Date:* December 31, 2023

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-011 – Suspension and Debarment (Significant Deficiency)**

*Federal Program Information*

Funding Agency:	U.S. Department of Transportation
Federal Award Agreement Number:	NM-2020-011-00, NM-2020-012-00, NM-2020-013-00
Award Year:	2021
Title:	Federal Transit Cluster
Assistance Listing Number:	20.507
Pass-through Agency:	Not Applicable, Direct Program
Pass-through Identification Number:	Not Applicable, Direct Program

*Condition:* The City does not maintain support that review for suspension and debarment was performed prior to execution of non-RFP awards.

*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 2 CFR 180, non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. In accordance with 2 CFR 200.303(a), non-federal entities must establish and maintain effective internal controls over federal awards.

*Questioned costs:* Not applicable

*Effect:* Contracts could be entered into with vendors who are suspended or debarred without documented support that a review for suspension and debarment is performed prior to execution of the contracts.

*Cause:* The City has not implemented controls to review suspension and debarment for all covered transactions.

*Auditor recommendation:* We recommend the city document controls performed to review for suspension and debarment prior to execution of contracts.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-011 – Suspension and Debarment (Significant Deficiency) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In September of 2022, the City hired a highly qualified Grants Manager who has been continuously working with City Departments that receive grant funding to raise awareness of requirements such as the need to review for suspension and debarment prior to the execution of contracts. Additionally, in February 2023, the City hired a certified Chief Procurement Officer with over ten years of experience in the State General Services Department’s State Purchasing Division. The CPO is working to increase awareness of the City’s Procurement policies and procedures through trainings for City departments and the development of checklists and guides to ensure compliance. During FY24 the Transit Department will be recruiting for a Transit Grants Director position to assist with the administration of federal funding. In FY24 the Finance Director, the Purchasing Officer, and the Grants Manager will develop a procedure to document controls performed to review for suspension and debarment prior to execution of contracts. In FY24 the Grants Manager will provide Uniform Guidance training to City staff which will include suspension and debarment information.

*Responsible Official:* Finance Director, Grants Manager, Purchasing Officer

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

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-012 – Activities allowed, Allowable Costs, and Period of Performance Controls over Non-payroll (Material Weakness)**

*Federal Program Information*

Funding Agency:	U.S. Department of Transportation
Federal Award Agreement Number:	NM-2020-011-00, NM-2020-012-00, NM-2020-013-00
Award Year:	2021
Title:	Federal Transit Cluster
Assistance Listing Number:	20.507
Pass-through Agency:	Not Applicable, Direct Program
Pass-through Identification Number:	Not Applicable, Direct Program

*Condition:* During our review of non-payroll related transactions, 19 out of 40 transactions tested did not include appropriate approval by the Program Director.

*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).

*Questioned costs:* Not applicable

*Effect:* The City may unintentionally charge expenses to the program that do not qualify and in turn lead to questioned costs and/or repayment of funds to the Grantor agency.

*Cause:* The City is not following procedures to ensure the appropriate approvals by an individual knowledgeable of the federal program are being conducted on all purchases.

*Auditor recommendation:* We recommend the City strengthen the controls in place to provide assurance that proper review occurs with someone knowledgeable with the grant.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-012 – Activities allowed, Allowable Costs, and Period of Performance Controls over Non-payroll (Material Weakness) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In September of 2022, the City hired a highly qualified Grants Manager who has been continuously working with City Departments that receive grant funding to raise awareness of requirements such as the need to ensure that grant-funded transactions are appropriately reviewed and approved by someone knowledgeable with the grant. Key vacancies in the Transit Department during FY21 resulted in insufficient staffing to allow for robust internal controls and separation of duties. During FY24 the Transit Department will be recruiting for a Transit Grants Director position to assist with the administration of federal funding. During FY24 the Finance Director and the Grants Manager will work with the Transit team to develop a procedure to document controls performed to review and approve grant-funded transactions. In FY24 the Grants Manager will provide Uniform Guidance training to City staff which will include allowable costs and internal controls.

*Responsible Official:* Finance Director, Grants Manager, Transit Director

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

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-013 – Cash Management (Material Noncompliance and Material Weakness)**

*Federal Program Information*

Funding Agency:	U.S. Department of Transportation
Federal Award Agreement Number:	NM-2020-011-00, NM-2020-012-00, NM-2020-013-00
Award Year:	2021
Title:	Federal Transit Cluster
Assistance Listing Number:	20.507
Pass-through Agency:	Not Applicable, Direct Program
Pass-through Identification Number:	Not Applicable, Direct Program

*Condition:* The City requested drawdowns at the end of the year which is not considered timely. In addition, drawdowns did not have detailed support to test the accuracy of amounts requested.

*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).

*Questioned costs:* Not applicable

*Effect:* Lack of sufficient controls over drawdown requests resulted in requests not supported by backup documentation or requested timely.

*Cause:* The City does not have the policy and procedures in place to reconcile grants monthly in order to submit requests timely nor is support being retained with drawdowns to ensure the accuracy of amounts.

*Auditor recommendation:* We recommend strengthening controls in place to provide assurance that all grant drawdown requests are accurate and submitted timely and supported with detailed backup documentation.



**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-013 – Cash Management (Material Noncompliance and Material Weakness) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In September of 2022, the City hired a highly qualified Grants Accounting Manager who has been continuously working with City Departments that receive grant funding to raise awareness of requirements such as the need ensure that grant drawdown requests are submitted timely and accurately and that detailed supporting documentation is maintained. Key vacancies in the Transit Department during FY21 resulted in insufficient staffing to allow the Department to submit drawdown requests timely and maintain appropriate supporting documentation. During FY24 the Transit Department will be recruiting for a Transit Grants Director position to assist with the administration of federal funding. During FY24 the Finance Director and the Grants Manager will work with the Transit Director to strengthen controls in place to provide assurance that all grant drawdown requests are accurate and submitted timely and supported with detailed backup documentation. In FY24 the Grants Manager will provide Uniform Guidance training to City staff which will include documentation and internal controls.

*Responsible Official:* Finance Director, Grants Manager, Transit Director

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

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-014 – Activities allowed, Allowable Costs, and Period of Performance Controls over Non-payroll (Significant Deficiency)**

*Federal Program Information*

Funding Agency:	U.S. Department of Treasury
Federal Award Agreement Number:	Not Applicable
Award Year:	2021
Title:	COVID-19 Coronavirus Relief Fund
Assistance Listing Number:	21.019
Pass-through Agency:	NM Department of Finance and Administration
Pass-through Identification Number:	CARES-01001-CSF

*Condition:* During our review of nonpayroll transactions, 2 out of 37 transactions tested did not include approval by the Program Director.

*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).

*Questioned costs:* Questioned costs of \$22,227 and likely questioned costs of \$121,600

*Effect:* The City may unintentionally charge expenses to the program that do not qualify and in turn lead to questioned costs and/or repayment of funds to the Grantor agency.

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

*Auditor recommendation:* We recommend that the City strengthen its policies and procedures to ensure all grant transactions are properly reviewed and approved by the Program Director who has knowledge over the grant.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-014 – Activities allowed, Allowable Costs, and Period of Performance Controls over Non-payroll (Significant Deficiency) (Continued)**

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding and notes that the likely questioned costs of \$121,600 represent approximately 0.70% of the over \$17.5 million in total Coronavirus Relief Fund funding received. Key vacancies in the Finance Department during FY21 resulted in the City relying on contractors to review and recommend approval of COVID-19 Coronavirus Relief Fund grant transactions. In September of 2022, the City hired a highly qualified Grants Accounting Manager who has been continuously working with City Departments that receive grant funding to raise awareness of requirements such as the need to ensure that grant transactions are properly reviewed and approved by someone who has knowledge over the grant, and that detailed supporting documentation is maintained. At the end of FY23 the Grants team within the Finance Department achieved full staffing, with four of four positions filled. All Grants team members and several City employees from other Departments participated in specialized federal grants training in April 2023 to develop more robust knowledge of grant compliance requirements. During FY24 the Finance Director and the Grants Manager will work to strengthen City policies and procedures and develop and deploy training City-wide to ensure grant transactions are properly reviewed and approved by the Program Director who has knowledge over the grant. In FY24 the Grants Manager will provide Uniform Guidance training to City staff, including agency-specific guidance such as requirements for CARES and ARPA fundings.

*Responsible Official:* Finance Director, Grant Manager, Program Directors City-Wide

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

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

**SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS**

**2021-015 – Controls over Payment Vouchers (Other Matter)**

*Condition:* The City's allows for payments of utility refund checks and small one time purchases through a miscellaneous vendor code for which no W-9 is required. A voucher approved by the requesting department is required. However, there is no established dollar limit on the use of these payment vouchers and the Certified Procurement Officer is not required to review the vouchers. The list of check paid from the miscellaneous vendor code for fiscal year 2021 included payments to seven vendors/individuals above the \$60,000 procurement threshold.

*Criteria:* In contemplation of the New Mexico State Procurement Code and COSO framework, purchases and payments not required to involve the central purchasing office should be capped or require an addition review for large payments as a best practice.

*Cause:* The City's internal control procedures around the miscellaneous vendor code are not designed appropriately.

*Effect:* The City could inappropriately pay a vendor without following the appropriate procurement procedure.

*Auditor recommendation:* The City should establish a cap on payments made using the miscellaneous vendor code or require an additional review for payments over an established dollar threshold.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. The City's A/P staff and the Finance Director worked together in early Fall of 2022 to reduce the use of the miscellaneous vendor code for direct vouchers. ITT and Procurement staff assisted the A/P team in stepping up efforts to require vendors to register in the City's ERP system via the MUNIS Vendor Self-Service module. Because of these efforts, the volume of payment vouchers utilizing the miscellaneous vendor code has dropped considerably in Fiscal Year 2023. The Controller position, once filled, will assist in the development of a policy and procedure for the use of payment vouchers, including establishing an additional review process for payments over an established dollar threshold requested to be made using the miscellaneous vendor code. The policy and procedure will also address required supporting documentation for transactions utilizing the miscellaneous vendor code, including evidence of approval by the City's Purchasing Officer.

*Responsible Official:* Finance Director, Controller (in-process of hiring), Purchasing Officer, and A/P Staff

*Timeline and Estimated Completion Date:* December 31, 2023

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-016 (previously 2020-011) – Controls over Accounts Payable (Other Matter) (repeated/modified)**

*Condition:* During our testing over accounts payable, we noted the following:

- The City did not adjust its yearend payable balances to the Santa Fe Solid Waste Management Agency (SWMA) and Buckman Direct Diversion Project.

*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 that address all significant yearend adjustments.

*Cause:* Lack of an effective control process over invoice process to ensure the information was correctly entered into the system. In addition, lack of staffing and virtual working due to the COVID-19 pandemic.

*Effect:* There could be a misstatement in accounts payable accounts of the City.

*Auditor recommendation:* The City should work with SWMA and BDD to establish a periodic billing procedure or similar process that allows all three entities to reconcile receivables and payables between the entities.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. Due to the ongoing impacts of the pandemic, including several vacancies, the Finance Department faced significant challenges in preparing the detailed schedules for accounts payable in Fiscal Year 2021. In Fiscal Year 2023, the City engaged consultants from an independent public accounting firm that performed previous audits of the City and has extensive expertise in Governmental accounting and financial reporting. The consultants are providing audit preparation services and operational support for the City's accounting processes. The consultants are working closely with Finance Department staff, as well as Santa Fe Solid Waste Management Agency (SWMA) and Buckman Direct Diversion (BDD) staff to properly address and record payable balances for Fiscal Year 2022 and Fiscal Year 2023. The establishment of hard year end closing procedures in both Fiscal Year 2022 and Fiscal Year 2023, and month-end closing procedures in Fiscal Year 2023 are assisting in these efforts.

Responsible Official: Finance Director, Controller (in-process of hiring)

Timeline and Estimated Completion Date: December 15, 2023

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-017 – Pledged Collateral (Other Noncompliance)**

*Condition:* The City had less pledged collateral coverage than was needed for compliance with New Mexico state statute for a deposit held by State Employees Credit Union and Guadalupe Credit Union at June 30, 2021. The required collateral was \$139,694 and \$6,305, respectfully. The collateral provided was \$0 for both institutions, resulting in a shortfall of \$145,999.

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

*Auditors' Recommendation:* The City should work with State Employees Credit Union and 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 two local credit unions mentioned in the finding, were not able to provide the required pledged collateral documentation when requested. The Finance Director and Treasury Officer will meet with the State Employees Credit Union and Guadalupe Credit Union to determine if the pledge collateral requirement can be met for current deposits. If the requirements cannot be made, the Finance Director and Treasury Officer, will start the process of moving the funds to financial institution(s) that can provided the required pledged collateral.

*Responsible Official:* Finance Director and Treasury Officer

*Timeline and Estimated Completion Date:* December 31, 2023

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-018 – Emergency Procurement (Other Matter)**

*Condition:* For one emergency procurement tested totaling \$602.58, the City did not complete the emergency procurement memo in a timely fashion as required by the City’s emergency procurement policy. The services were initially rendered June 18, 2020, but the memo was not completed until the following March. Additionally, the City did not publicly post the emergency procurement as required by the policy.

*Criteria:* According to section XII of the City’s Procurement Manual, the requesting department shall complete the emergency procurement form which includes approval from the department director. Additionally, the section stipulates that within three business days of awarding, the Certified Purchasing Officer shall post the emergency procurement publicly on the City’s website.

*Effect:* The City was in violation of its policy.

*Cause:* The required emergency procurement form and posting were not addressed due to the urgency of the request.

*Auditors’ Recommendation:* The City should ensure that all department heads are familiar with the required procedures for emergency procurement included in the City’s Procurement Manual.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In February 2023, the City hired a certified Chief Procurement Officer with over ten years of experience in the State General Services Department’s State Purchasing Division. The CPO is working to increase awareness of the City’s Procurement policies and procedures through trainings for City departments and the development of checklists and guides to ensure compliance.

*Responsible Official:* Finance Director and Chief Procurement Officer

*Timeline and Estimated Completion Date:* September 30, 2023

**State of New Mexico  
City of Santa Fe  
Schedule of Findings and Questioned Costs  
June 30, 2021**

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

**2021-019 (originally 2020-021) – Budgetary Compliance (Other Noncompliance) (repeated/modified)**

*Condition:* The following funds were over-expended during fiscal year 2021:

<b>Fund</b>	<b>Fund Description</b>	<b>Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>(Over) Budget</b>
216	Gross Receipts Tax	\$ -	\$ 150	\$ (150)
232	Impact Fee Fund/Projects	-	145	(145)
257	Land Development Fund	-	20	(20)
515	Railyard Property	2,215,827	2,639,468	(423,641)
525	College of Santa Fe	3,860,058	4,693,319	(833,261)
600	Risk Management	5,117,334	5,468,802	(351,468)

*Management Progress:* The City had fewer over-expended funds as compared to fiscal year 2020. Additionally, 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 during the year.

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

*Auditors' 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. The City's Budget Office experienced major staffing shortages in both FY20 and FY21 due to the Pandemic. It was very difficult for the Budget Director 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. Because of the State year-end deadline (July 31) requirement, and the timing of the July Council and City committee meeting schedules, budgetary compliance issues may result. In FY23, the Budget Office was finally able to achieve full staffing by filling all of its vacancies. This achievement is allowing the Budget Office to implement additional oversight processes that assist with the identification of issues. The implementation of the hard year end closes in FY22 and FY23, as well as the monthly closing processes, are assisting in this work.



**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-019 (originally 2020-021) – Budgetary Compliance (Other Noncompliance) (repeated/modified)  
(Continued)**

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

Timeline and Estimated Completion Date: June 30, 2024

**State of New Mexico  
City of Santa Fe  
Schedule of Findings and Questioned Costs  
June 30, 2021**

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

**2021-020 – Cash Appropriations in Excess of Available Cash Balances (Other Noncompliance)**

*Condition:* The City budgeted deficits in excess of available cash balances in the following funds:

Fund	Fund Description	Budgeted Deficit	Prior Year Cash and Federal Receivables	Excess Deficit
252	NEA Grants	\$ (58,333)	\$ 34,519	\$ (23,814)
330	City Street Projects	(4,695,021)	3,685,548	(1,009,473)
350	Art for CIP Projects	(89,852)	54,998	(34,854)
515	Railyard Property	(2,471,658)	1,514,889	(956,769)
540	Transit Bus System	(12,596,741)	8,387,954	(4,208,787)
550	GCCC	(3,200,058)	3,129,458	(70,600)

*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.

*Auditors' Recommendation:* The City should review and monitor future budgets for budgeted deficits that are not covered by ending cash and federal receivables as of the start of the fiscal year. Additionally, the City should review for adequate coverage of budget deficits as part of the budgeting process throughout the fiscal year.

*Views of Responsible Officials and Planned Corrective:* The City agrees with this finding. The City's Budget Office experienced major staffing shortages in both FY20 and FY21 due to the Pandemic. It was very difficult for the Budget Director to monitor all Funds during this period. During the spring 2020 budget season when the FY21 budget was being developed, 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 incomplete data relating to cash balances. In FY23, the Budget Office was finally able to fill all of its vacancies and is in the process of implementing processes to assist with the identification of deficits. In addition, catching up on the City's last few years' audits will ensure that the Budget Office has the most accurate information possible 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).

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

Timeline and Estimated Completion Date: June 30, 2024

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-021 (originally 2019-013) – CDBG Activities allowed and Allowable Costs over Payroll (Other Noncompliance) (repeated/modified)**

*Condition:* During our testing of prior year finding follow-up, we noted the IDIS report listed program administration costs totaling \$38,531 which did not agree to financial records by \$14,113. In addition, the IDIS report did not include backup supporting documentation.

*Management Progress:* No progress in FY2021.

*Criteria:* Per Title 2 US Code of Federal Regulations Part 200.302, requires non-Federal entities to accurately report financial information to Federal awarding agencies. 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).

*Cause:* The City has not implemented controls to prepare reports, supported by underlying records, timely and approved by the Housing Director prior to submitting to the Grantor Agency by the due date after the reporting period end.

*Effect:* The City may unintentionally charge expenses to the program that do not qualify and in turn lead to questioned costs and/or repayment of funds to the Grantor agency.

*Auditor recommendation:* We recommend the City follow policies and procedures to ensure adequate review process is in place related to the reconciliation of the IDIS reports to financial records and that reports contain the underlying support to back-up the amounts reported.

*Views of Responsible Officials and Planned Corrective Action:* The City agrees with this finding. In September 2021, the City hired an experienced Grants Analyst to specifically assist the Office of Affordable Housing with the compliance requirements of its CDBG awards. Shortly after in December 2021, the City also hired an experienced Community Development Housing Manager and contracted with a CDBG expert to help the City move into compliance. The contract CDBG expert is providing both assistance with IDIS reporting and strategic planning to ensure CDBG milestones are reached. In addition, the Grants Manager hired in September 2022 has experience managing HUD grant awards. Through these efforts, significant improvements have been made in FY22 and FY23. In FY24 the Finance Director and the Grants Manager will work with the Affordable Housing Director to refine policies and procedures to ensure an adequate review process is in place related to the reconciliation of the IDIS reports to financial records, and that reports contain appropriate supporting documentation that ties to the amounts in the IDIS reports.

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-021 (originally 2019-013) – CDBG Activities allowed and Allowable Costs over Payroll (Other Noncompliance) (repeated/modified) (Continued)**

*Responsible Official:* Finance Director, Grants Manager, Affordable Housing Director, Community Development Housing Manager, and the assigned Grants Analyst.

*Timeline and Estimated Completion Date:* September 30, 2023

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-022 (originally 2019-020) – Late Audit Report (Other Noncompliance) (repeated/modified)**

*Condition:* The audited financial statements of the Agency were submitted to the New Mexico Office of the State Auditor after the statutory deadline of December 15, 2021.

*Management Progress:* 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. Additionally, over the past year the City strengthened its finance leadership team by hiring highly qualified individuals into the Finance Director, Grants Manager, and Chief Procurement Officer positions. The City continues to search for individuals to fill its Accounting Officer, Controller, and Accounting Manager positions. To assist in completing the 2021 and 2022 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.

*Criteria:* Per Section 2.2.2.9 A(1)(g) NMAC, the audited financial statements of the Agency for the year ended June 30, 2021 were due to the New Mexico Office of the State Auditor by December 15, 2021.

*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.

*Auditors' 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 2022 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**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

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

**2021-022 (originally 2019-020) – Late Audit Report (Other Noncompliance) (repeated/modified)  
(Continued)**

*Views of Responsible Officials and Planned Corrective:* The City agrees with this finding. 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 of 2022. Shortly thereafter there was turnover in the Finance Director position, and there were several other finance position vacancies due to the pandemic that slowed progress on the FY20 and FY21. The City contracted with a new independent public accounting firm on September 6, 2022 to conduct both the FY21 and FY22 audits. The City also contracted with the previous independent auditor for consulting services including audit preparation and operational support. Additionally, the Finance Department, in the post pandemic environment, has since been able to hire qualified key staff members and implement hard close procedures for both FY22 and FY23, and a monthly close procedure was implemented for FY23, to assist with the year-end close process.

*Responsible Official:* Finance Director, Accounting Officer (in-recruitment) and Controller (in-process of hiring).

*Timeline and Estimated Completion Date:* December 15, 2023

**State of New Mexico**  
**City of Santa Fe**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2021**

**SECTION V – PRIOR YEAR AUDIT FINDINGS**

2020-001 - Errors preparing the Schedule of Expenditures of Federal Awards – Modified and Repeated

2020-002 - Internal Controls over Financial Close and Reporting – Modified and Repeated

2020-003 - Billing/Recognition of Federal Revenue – Resolved

2020-004 – Controls over Journal Entries - Modified and Repeated

2020-005 – Controls over Capital Assets and CIP – Resolved

2020-006 – Controls over Accrued Liabilities – Resolved

2020-007 – Controls over Allocation of Investment Income (Pooled Cash) – Resolved

2020-008 – Controls over Cash Balances – Modified and Repeated

2020-009 – Controls over Interfund Activity – Resolved

2020-010 – Controls over Debt Accounting – Resolved

2020-011 – Controls over Accounts Payable – Modified and Repeated

2020-012 – Controls over Compensated Absences – Resolved

2020-013 – Information Technology Controls – Resolved

2020-014 – Cash Management – Resolved

2020-015 – Property and Equipment – Modified and Repeated

2020-016 – Reporting – Modified and Repeated

2020-017 – Allowable Activities and Costs – Payroll Disbursements – Modified and Repeated

2020-018 – Program Income – Modified and Repeated

2020-019 – Late Audit Report – Modified and Repeated

2020-020 – Use of Vehicle Logs – Resolved

2020-021 – Budgetary Compliance – Modified and Repeated

**CITY OF SANTA FE, NEW MEXICO  
EXIT CONFERENCE  
YEAR ENDED JUNE 30, 2021**

An exit conference was held with the City on June 29, 2023. The conference was held virtually over a Zoom meeting hosted by the City. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

**CITY OF SANTA FE**

Mayor Alan Webber  
City Councilor Carol Romero-Wirth  
John Blair, City Manager  
Layla Archuleta-Maestas, Assistant City Manager  
Emily Oster, Finance Director  
Alexis Lotero, Deputy Finance Director  
Melanie Sharpe, Payroll Officer  
Travis Dutton-Leyda, Chief Procurement Officer  
Cheryl James, Grant Manager  
Lisa Storey, Accounting Manager  
Clarence Romero, Treasury Officer  
Andrew Hopkins, Budget Officer  
Chris Zaucha, Contractor  
Andres Gamez, Contractor

**CARR, RIGGS & INGRAM**

Alan D. "A.J." Bowers, Jr., CPA, CITP, Partner  
Eric O. Spurlin, CPA, CITP, Partner