

Reports of Independent Auditors and
Schedule of Expenditures of Federal Awards

Santa Fe County, New Mexico

June 30, 2025

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**STATE OF NEW MEXICO
SANTA FE COUNTY
OFFICIAL ROSTER
JUNE 30, 2025**

COUNTY COMMISSIONERS



Justin S. Greene
Member,
District 1



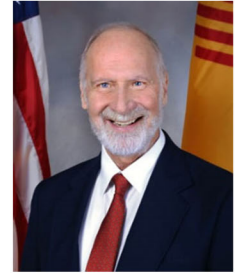
Lisa Cacari Stone
Vice Chair,
District 2



Camilla M.
Bustamante
Chair,
District 3



Adam F. Johnson
Member,
District 4



Hank Hughes
Member,
District 5

ELECTED OFFICIALS



Isaiah
Romero,
County
Assessor



Jennifer
Manzanares,
County
Treasurer



Adan
Mendoza,
County
Sheriff



Katharine
E. Clark,
County
Clerk



Cordilia
Montoya,
County
Probate
Judge

ADMINISTRATIVE OFFICIALS



Gregory S. Shaffer
County Manager

Elias Bernardino, Deputy County Manager
Leandro R. Cordova, Deputy County Manager
Jonathan M. Butler, Community Development Department Director
Anne Ryan, Community Services Department Director
Alexandra Ladd, Growth Management Department Director
Brian K. Snyder, Public Works Director
Roberto J. Lujan, Regional Emergency Communications Center Director
Jacob Black, Fire Chief
Derek J. Williams, Warden
Walker Boyd, County Attorney
Yvonne S. Herrera, Finance Division Director
Valerie Aghaei Park, Human Resources & Risk Management Director
Daniel P. Sanchez, Information Technology Division Director

Report of Independent Auditors 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*

The Board of County Commissioners
Santa Fe County, New Mexico

Mr. Joseph M. Maestas, PE, CFE
New Mexico State Auditor

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Santa Fe County, New Mexico (the County) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Santa Fe County, New Mexico's basic financial statements, and have issued our report thereon dated December 11, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Santa Fe County, New Mexico'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 and other matters that are required to be reported under Section 12-6-5 NMSA 1978. These matters are described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002 and 2025-003.

Santa Fe County's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on Santa Fe County, New Mexico's responses to findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Santa Fe County, New Mexico's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

Baker Tilly US, LLP

Albuquerque, New Mexico
December 11, 2025

Report of Independent Auditors on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of County Commissioners
Santa Fe County, New Mexico

Mr. Joseph M. Maestas, PE, CFE
New Mexico State Auditor

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Santa Fe County, New Mexico's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Santa Fe County, New Mexico's major federal program for the year ended June 30, 2025. Santa Fe County, New Mexico's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Santa Fe County, New Mexico complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Santa Fe County, New Mexico and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Santa Fe County, New Mexico's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Santa Fe County, New Mexico's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Santa Fe County, New Mexico's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Santa Fe County, New Mexico's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Santa Fe County, New Mexico's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Santa Fe County, New Mexico's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Santa Fe County, New Mexico's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Santa Fe County, New Mexico as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Santa Fe County, New Mexico's basic financial statements. We issued our report thereon dated December 11, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Albuquerque, New Mexico
February 9, 2026

Santa Fe County, New Mexico
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor / Program Title Grantor / Program Title	Assistance Listing #	Pass-Through Grantor's Number / Other Identifying Grantor Number	Federal Expenditures
DIRECT ASSISTANCE			
U.S. Department of Housing and Urban Development			
Housing Voucher Cluster			
Section 8 Voucher Choice Vouchers	14.871	NM050	\$ 3,300,662
Mainstream Vouchers	14.879	NM050-DV-0024	290,737
Total Housing Voucher Cluster			<u>3,591,399</u>
Public Housing Capital Fund	14.872	NM02P050501-20	5,723
Public Housing Capital Fund	14.872	NM02P050501-22	291,097
Public Housing Capital Fund	14.872	NM02P050501-23	229,197
Total Public Housing Capital Fund ALN#14.872			<u>526,017</u>
Resident Opportunity and Supportive Services - Services Coordinators	14.870	ROSS231768	40,964
Public Housing Operating Fund	14.850	NM050-00000124D	275,328
Family Self-Sufficiency Program	14.896	FSS23NM5440-01	36,359
Family Self-Sufficiency Program	14.896	FSS25NM6416-01-00	42,833
Total Family Self-Sufficiency Program ALN#14.896			<u>79,192</u>
Total U.S. Department of Housing and Urban Development			<u>4,512,900</u>
U.S. Department of Justice			
PREA Program: Strategic Planning for Compliance	16.735	15PBJA-24-GG-00229-BRND	254,305
Bullet Proof Vest	16.607	BVP	6,068
State Criminal Alien Assistance Program	16.606	15PBJA-23-RR-05797-SCAA	21,212
State Criminal Alien Assistance Program	16.606	15PBJA-24-RR-05817-SCAA	13,273
Total State Criminal Alien Assistance Program ALN#16.606			<u>34,485</u>
Total U.S. Department of Justice			<u>294,859</u>
U.S. Department of the Interior			
Cooperative Inspection Agreements with States and Tribes	15.222	140L4023P0049	13,430
21st Century Conservation Service Corps	15.154	R19AP00115-0000	25,997
Total U.S. Department of the Interior			<u>39,427</u>
U.S. Department of the Treasury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	Coronavirus State and Local Fiscal Recovery	4,578,392
COVID-19 Local Assistance and Tribal Consistency Fund	21.032	Coronavirus State and Local Fiscal Recovery	542,991
Total U.S. Department of the Treasury			<u>5,121,383</u>
U. S. Department of Agriculture			
Emergency Watershed Protection Program	10.923	NR248C30XXXXC001	262,504
Total U.S. Department of Agriculture			<u>262,504</u>
Total Direct Assistance			<u>10,231,073</u>
PASS-THROUGH ASSISTANCE			
U.S. Department of Transportation			
Pass through New Mexico Department of Transportation: Highway Planning and Construction	20.205	S100640	62,475
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	04-AL-64-091	7,209
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	05-AL-64-P05	57,187
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	05-AL-64-091	4,437
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated ALN#20.608			<u>68,833</u>
Total U.S. Department of Transportation			<u>131,309</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

Santa Fe County, New Mexico
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor / Program Title Grantor / Program Title	Assistance Listing #	Pass-Through Grantor's Number / Other Identifying Grantor Number	Federal Expenditures
PASS-THROUGH ASSISTANCE (CONTINUED)			
U.S. Department of Agriculture			
Forest Service Schools and Roads Cluster			
Pass-through from New Mexico Department of Public Education:			
Schools and Roads - Grants to States	10.666	SRS Title I	18,780
Total Forest Service Schools and Roads Cluster			<u>18,780</u>
Total U.S. Department of Agriculture			<u>18,780</u>
U.S. Department of Interior			
Pass-through from New Mexico Department of Finance and Administration:			
Distribution of Receipts to State and Local Governments	15.227	Dept of Interior - Taylor Grazing Act	2,119
Total U.S. Department of Interior			<u>2,119</u>
U.S. Environmental Protection Agency			
Pass-through from New Mexico Environmental Department:			
Clean Water State Revolving Funds (CWSRF) Cluster	66.458	CWSRF EC 138	153,913
Total U.S. Environmental Protection Agency			<u>153,913</u>
U.S. Department of Justice			
Pass-through from Institute for Intergovernmental Research			
Comprehensive Opioid, Stimulant, and Substance Use Program	16.838	15PBJA-21GK1074	257,326
Pass-through from New Mexico Department of Public Safety:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	23-JAG-REG3-SFY24	146,479
Pass through from New Mexico Department of Transportation:			
Support for Adam Walsh Act Implementation Grant Program	16.750	23-AWA-SFSO-FY23	74,741
Total U.S. Department of Justice			<u>478,546</u>
U.S. Department of Homeland Security			
Pass-through from New Mexico Department of Homeland Security and Emergency:			
Homeland Security Grant Program	97.067	EMW-2022-SS-00044	196,718
Total U.S. Department of Homeland Security			<u>196,718</u>
U.S. Department of Energy			
Pass-through from New Mexico Energy, Minerals and Natural Resources:			
Transportation of Transuranic Wastes to the West Isolation Plant:			
State and Tribal Concerns, Proposed Solution	81.106	20-521-0300-0053	4,545
Total U.S. Department of Energy			<u>4,545</u>
U.S. Department of Health and Human Services			
Pass-through New Mexico Counties:			
COVID-19 Detection & Mitigation of COVID-19 in Confinement Facilities	93.323	SFC Allocation	9,271
Pass-through New from Health Care Authority:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	SA 24-630-7903-0001/Falling Colors	6,159
Aging Cluster			
Pass-through from New Mexico Central Economic Community:			
Special Programs for the Aging Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	Title IIIB	21,312
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Title IIIC-1	61,401
Special Programs for the Aging Title III, Part C Nutrition Services	93.045	Title IIIC-2	52,509
Nutrition Services Incentive Program	93.053	NSIP	36,357
Nutrition Services Incentive Program	93.053	NSIP	24,238
Total Aging Cluster			<u>195,816</u>
Total U.S. Department of Health and Human Services			<u>211,246</u>
Total Pass-Through Assistance			<u>1,197,176</u>
Total Federal Assistance to County			<u>\$ 11,428,249</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

Santa Fe County, New Mexico
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Note 1 – Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Santa Fe County, New Mexico (the County). The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Pass-thru entity identifying numbers are presented where available. The County has elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 – Sub-Recipients

The County did not provide federal awards to sub-recipients during the year ended June 30, 2025.

Note 4 – Reconciliation to Financial Statements

The following presents a reconciliation of federal expenditures to expenditures per the financial statements for the year ended June 30, 2025:

Governmental funds federal grant revenue	\$ 10,973,011
Proprietary funds federal operating subsidy	<u>455,238</u>
Total expenditures per schedule of expenditures of federal awards	<u><u>\$ 11,428,249</u></u>

Santa Fe County, New Mexico
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs and type of auditor’s report issued on compliance the major federal program:

<i>Federal Assistance Listing Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for the Major Federal Program</i>
14.871/ 14.879	Housing Voucher Cluster	Unmodified

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

Auditee qualified as low-risk auditee? Yes No

Santa Fe County, New Mexico
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section II – Financial Statement Findings

No findings reported.

Section III – Federal Award Findings and Questioned Costs

No findings reported.

Section IV – Other Findings as Required by Section 12-6-5 NMSA 1978

2025-001 (2022-004) Internal Control over Cash Receipts (Other Non-Compliance)

Condition: For one of ten cash receipts tested during the year, the County did not deposit funds totaling \$799 into its bank before the close of the next succeeding business day. Management is working on a new procedure on end of day procedures to allow for deposits on the same business day.

Criteria: The Public Money Act Section 6-10-3, NMSA 1978 requires all public monies in the custody or under the control of any state official or agency obtained or received by any official or agency from any source, except as in Section 6-10-54, NMSA 1978 provided shall be paid into the state treasury. It is the duty of every official or person in charge of any state agency receiving any money in cash or by check, draft or otherwise for or on behalf of the state or any agency thereof from any source, except as in Section 6-10-54, NMSA 1978 provided to forthwith and before the close of the next succeeding business day after the receipt of the money to deliver or remit it to the state treasurer.

Effect: Non-compliance with state statute.

Cause: The County neglected to follow County policy to ensure compliance with state statute.

Recommendation: We recommend the County should implement internal controls and procedures at the Treasurer's Office and any other relevant offices to comply with the Public Money Act.

Management Response: The Santa Fe County Treasurer's Office (CTO) implemented a process in late 2024 which changed the end of day processing by staggering staff's schedules for closing teller drawers each day. The CTO will continue to refine their 2024 established processes to address days, such as month end closing and holidays to ensure the public is still served through the end of business day and staff are able to reconcile and close the cash drawer(s) for depositing the following business day with complete resolution by June 30, 2026.

Santa Fe County, New Mexico
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

2025-002 (2024-003) User Access Reviews (Other Matters)

Condition: During our evaluation of the County's information technology (IT) general controls over significant financial applications, we found that the County has implemented a robust system of preventive access controls over user provisioning and deprovisioning. However, our evaluation found that the access to the County's system, NaviLine CentralSquare, is reviewed but lacks validation of the completeness of its review procedures. A user access review serves as a detective control to identify whether provisioned users to the system are accurate against active employees as well as ensuring roles and permissions assigned to each user are commensurate of each user's job function to promote appropriate segregation of duties. This review includes a review of each system's administrators and other privileged users who may assist in user provisioning and deprovisioning or configurations of the system. While the County had addressed the prior year finding and implemented controls over user access reviews, additional procedures are needed to document these reviews.

Criteria: The National Institute of Standards and Technology (NIST) recommends the implementation of user access review procedures over information systems to ensure users are appropriate and the assigned roles and permissions are appropriate, including over segregation of duties, to mitigate risks over access to an organization's systems and data.

Effect: Lack of these reviews potentially exposes the County to financial and other risks relevant to inappropriate access.

Cause: We were not able to confirm that financially relevant users were reviewed and approved. Ensuring financially relevant users are reviewed and approval is documented was not part of the updated process.

Recommendation: We recommend the County ensure the review process over financial users within NaviLine CentralSquare is documented and evidence of the review and approval is retained. Additionally, the review should include validation that no users retain privileges beyond their job requirement. Any requested changes as a result of the review should be documented in a ticket.

Management Response: Santa Fe County did perform user reviews for Central Square users in Fiscal Year 2025, pursuant to its written Access Control Standards policy. Santa Fe County will augment its processes in future years to fully document the completion of the annual user review.

2025-003 (2018-008) Collateralization of Public Funds (Other Noncompliance)

Condition: On June 30, 2025, the County held deposits accounts with a credit union that did not have additional pledged collateral to cover one-half of the amount in excess of deposit insurance. Total uninsured deposits were \$878 at year-end. Management is working with this financial institution to ensure that balance adjustments on the last day of the year have timely adjustments made to the required collateral.

Criteria: The Public Money Act Section 6-10-17, NMSA 1978 and the County's Investment Policy Statement requires the County to collateralize an amount equal to one-half of the balance not covered by deposit insurance through either the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA) for depository accounts.

Santa Fe County, New Mexico
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Effect: The County was not noncompliant with deposit collateralization requirements.

Cause: Collateral was not pledged to cover one-half of the amount in excess of deposit insurance for the County's account balances.

Recommendation: The County Treasurer's Office should continue to implement internal controls and procedures to ensure adequate collateral is held for all deposits exceeding deposit insurance in accordance with Section 6-10-17, NMSA 1978 and the County's Investment Policy Statement.

Management Response: The CTO will work with the credit union to pay all accrued interest to the County instead of reinvesting back into the certificate of deposit or depositing into the County's savings account. In addition, the Finance Division will request a periodic statement or account balance at a minimum each quarter for reconciliation purposes as well as monitoring the balance does not exceed FDIC/NCUA deposit insurance beginning with the December 31, 2025 balances. The County will request the excess funds be disbursed to ensure the account balances are below the FDIC/NCUA deposit insurance.

Santa Fe County, New Mexico
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

No prior year findings reported.

Santa Fe County, New Mexico
Exit Conference
Year Ended June 30, 2025

An exit conference was held on January 27, 2026. During this meeting, the contents of this report were discussed with the following individuals:

Santa Fe County

Hank Hughes, County Commissioner, Audit Committee Chair
Camilla Bustamante, County Commissioner
Lisa Cacari Stone, County Commissioner
Justin Greene, County Commissioner
Adam F Johnson, County Commissioner
Greg Shaffer, County Manager
Yvonne S. Herrera, Finance Division Director
Jessica Lucero-Muniz, Accounting & Financial Reporting Officer

Baker Tilly US, LLP

Kory Hoggan, Principal
Jeff Roybal, Assurance Manager

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