

SANTA FE COMMUNITY COLLEGE FOUNDATION

**(A Component Unit of
Santa Fe Community College)**

**FINANCIAL STATEMENTS WITH INDEPENDENT
AUDITOR'S REPORT**

JUNE 30, 2024



PATTILLO, BROWN & HILL, LLP

CERTIFIED PUBLIC ACCOUNTANTS • BUSINESS CONSULTANTS

**STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
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JUNE 30, 2024**

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**STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
OFFICIAL ROSTER
JUNE 30, 2024**

Name	Title
BOARD OF DIRECTORS	
Jeff Szabat	President
Dr. Carmen Gonzales	Immediate Past President
Sheila Plunkett	Vice President, Philanthropy
Stephen Garber	Treasurer
Danika Padilla	Secretary
Kelly A. Marquez	Executive Director
Dr. Rebecca K. Rowley	President, SFCC
Elisa Arena	Chair, Leadership & Nominating Committee
Dr. Edwin Barker	Co-Chair, Science on a Sphere, Planetary Advisory Committee
Natalie Fitz-Gerald	Advisor
Hue-Chen Karels	Advisor
Regis Pecos	Advisor
Sandy Zane	Advisor
Karen Armijo	Member
Valentine Alonzo	Member
Lorenzo Dominguez	Member
Dr. David E. Dooley	Member
Debby Everett	Member
Dr. Valerie Grimley	Member
Elizabeth Keefer	Member
Marcos Maez	Member, Director of Student Engagement and Recruitment
Jody M. Pugh	Member
Dr. Martha Romero	Member
Carolyn Steward	Member
Nick Telles	Member, Vice President of Finance and Chief Financial Officer
Rick Abeles	Emeritus Member
Dr. Rachel Belash	Emeritus Member
Carole Brito Besser	Emeritus Member
Dr. Robert Glick	Emeritus Member
Dr. Nancy Witter	Emeritus Member



Independent Auditor's Report

To Joseph M. Maestas, P.E.
New Mexico State Auditor

To the Board of Director
Santa Fe Community College Foundation
Santa Fe, New Mexico

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Santa Fe Community College Foundation (the "Foundation"), a nonprofit organization and component unit of Santa Fe Community College, as of and for the year ended June 30, 2024, and the related notes to the financial statements, as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation, as of June 30, 2024, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principle generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024 on our consideration of the Foundation'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 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 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 Foundation's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, LLP

Pattillo, Brown & Hill, L.L.P.
Albuquerque, New Mexico
October 30, 2024

FINANCIAL SECTION

**SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
STATEMENT OF NET POSITION
JUNE 30, 2024**

Assets

Current Assets

Cash and cash equivalents	\$ 1,475,103
Investments, at fair value	<u>17,731,166</u>
Total Current Assets	<u>19,206,269</u>

Noncurrent Assets

Artwork collections	<u>999,637</u>
Total Assets	<u>\$ 20,205,906</u>

Liabilities

Current Liabilities

Due to Santa Fe Community College	\$ 1,066,362
Unearned revenue	<u>253,080</u>
Total Current Liabilities	<u>1,319,442</u>

Net Position

Restricted, expendable	6,571,455
Restricted, unexpendable	10,458,860
Unrestricted	<u>1,856,149</u>
Total Net Position	<u>18,886,464</u>

Total Liabilities and Net Position	<u>\$ 20,205,906</u>
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**SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024**

Operating Revenues	
Nongovernmental grants and contracts	\$ 571,861
Gifts	947,554
Non - Cash Gift Revenues	<u>396,797</u>
Total Operating Revenues	<u>1,916,212</u>
Operating Expenses	
General and administrative	402,044
Contribution to SFCC:	
Scholarship	1,241,575
Program Support	<u>416,978</u>
Total Operating Expenses	<u>2,060,597</u>
Operating Income	<u>(144,385)</u>
Non-Operating Revenue (Expenses)	
Net unrealized and realized gain on investments	1,660,135
Dividend and interest income	509,044
Investment management fees and taxes	(38,252)
Intercompany	<u>13,114</u>
Total Non-Operating Revenues (Expenses)	<u>2,144,041</u>
Income Before Contributions to Permanent Endowments	1,999,656
Contributions to Permanent Endowments	
Gifts	<u>602,079</u>
Changes in Net Position	2,601,735
Net Position, Beginning of the Year	<u>16,284,729</u>
Net Position, End of the Year	<u>\$ 18,886,464</u>

SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

Cash Flows From Operating Activities	
Cash received from donors	\$ 2,676,987
Cash paid to SFCC for scholarships and program support	(605,491)
Cash paid for operating expenses	<u>(402,044)</u>
Net cash used by operating activities	<u>1,669,452</u>
Cash Flows From Non-Capital Financing Activities	
Cash received from donors for permanent endowments	<u>602,079</u>
Net cash provided by non-capital financing activities	<u>602,079</u>
Cash Flows From Investing Activities	
Purchase of investments	(3,662,728)
Proceeds from sale of investments	559,168
Dividends and interest	509,044
Investment management fees	<u>(38,252)</u>
Net cash used by investing activities	<u>(2,632,768)</u>
Net increase in cash and cash equivalent	(361,237)
Cash and cash equivalents, beginning of year	<u>1,836,340</u>
Cash and cash equivalents, end of year	<u>\$ 1,475,103</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES	
Operating income	\$ (144,385)
Adjustments to reconcile operating income to net cash used by operating activities	
Changes in:	
Artwork collections	(13,300)
Unearned revenue	253,080
Due to/from Santa Fe Community College	<u>1,574,057</u>
Total Adjustment	<u>1,813,837</u>
Net cash used by operating activities	<u>\$ 1,669,452</u>
Supplemental Disclosures of Non-Cash Investing Activities:	
Non-cash donations	<u><u>\$ 396,797</u></u>

**STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1. NATURE OF ORGANIZATION

Santa Fe Community College Foundation (the Foundation) was formed to encourage, solicit, receive, and administer gifts and bequests of real and personal property and funds for scientific, educational, public service, and charitable purposes for the advancement and benefit of Santa Fe Community College (SFCC or College) and its objectives and, to that end (a) to take and to hold, either absolutely or in trust for any limitations and conditions imposed by law or the instrument under which received; (b) to sell, lease, convey, and dispose of any such property, to invest and re-invest any proceeds and other funds, and to deal with and expend the principal and income for any purpose herein authorized; (c) to act as trustee; and (d) in general, to exercise any, all, and every power, including trust powers, which a nonprofit corporation organized under the laws of New Mexico for the foregoing purposes can be authorized to exercise.

Under the Memorandum of Agreement with the College, the College will (1) assign staff to service the administrative needs of the Foundation; (2) provide liability insurance for the Foundation's officers and Board Members; (3) provide suitable office and meeting space; (4) pay the cost of reasonable utilities, maintenance and repairs, property insurance, and any other reasonable physical facility support services; (5) provide certain reasonable administration support services; and (6) provide, at no cost to the Foundation, reasonable information technology processing and support, including acquisition of appropriate hardware and software. The Foundation has no component units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

As a component unit of SFCC, the Foundation presents its financial statement in accordance with accounting standards generally accepted in the United States as established by the Governmental Accounting Standards Board (GASB).

The Foundation applies business-type activity accounting and the Foundation's basic financial statements are reported using a flow of economic resources measurement focus and the accrual basis of accounting. Accordingly Revenues are recognized when they are earned, and expenses are recognized as soon as the liability is incurred.

The significant accounting policies utilized by the Foundation in the preparation of the financial statements are described below.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments, including demand deposits and short-term money market fund investments, with maturities of three months or less from the date of acquisition to be cash equivalents.

Investments

Investments consist primarily of money market mutual funds, bond mutual funds and marketable securities. Marketable securities are carried at fair value based on quoted market prices. Money market mutual funds are carried at amortized cost, which approximates fair value. The change in fair value is reported in the investment income in the statement of revenues, expenses, and changes in net position.

**STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The endowment spending policy is subject to annual review and provides that the annual amount of potential distributions from each endowment fund shall be limited to a maximum of 7% of the rolling average market value of the prior twelve quarters. At the beginning of each fiscal year, the Foundation's board of directors will determine the potential distribution amount for each endowment fund for the ensuing fiscal year. Foundation's spending policy complies with the requirements of the Laws of the State of New Mexico and Uniform Prudent Management of Institutional Funds Act.

Artwork Collections

The Foundation maintains works of art and similar assets that are (a) held for public exhibition, and education in furtherance of public service rather than financial gain, (b) protected, kept unencumbered, cared for, and preserved, and (c) subject to an organizational policy that requires the proceeds of items that are sold to be used for other items for collections.

Annuity Payable

Annuity payable represents the liability established for donations whereby a specified amount of funds are to be paid to the donor for the duration of his or her life. The Foundation uses annuity rates, including the discount and remainder factors, based on the American Council on Gift Annuities guidelines to establish the estimated liability. Significant factors of the estimate include the donor's age, amount of donation, and the discount rate, and are updated annually to adjust the liability.

Classification of Revenues

The Foundation has classified its revenues as either operating or non-operating according to the following criteria:

Operating Revenues. Operating revenues include activities that have the characteristics of exchange transactions such as unrestricted gifts. Revenue on contracts and grants are recognized to the extent that the underlying exchange transaction has occurred.

Non-Operating Revenues. Non-operating revenues include activities that have the characteristics of non-exchange transactions, investment income and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9 Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting and GASB Statement No. 34, such as investment income. Gifts and contributions are recognized when all applicable eligibility requirements have been met.

When both restricted and unrestricted resources are available for use, generally it is the Foundation's policy to use the restricted resources first.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at their estimated fair value in the period received.

**STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributed Facilities and Services

Contributed Facilities and Services represent the estimated fair rental value of office space and general corporate services provided. Contributed facilities are provided on a month-to-month basis. Contributed facilities and services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services are recorded as in-kind expense, and are included with the general and administrative expenses in the accompanying financial statements.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions which affect certain reported amounts and disclosures. The Foundation's estimates include the valuation of artwork. Accordingly, actual results could differ from those estimates.

Income Taxes

The Foundation is a nonprofit organization described as a public charity under Section 509(a)(3) of the Internal Revenue Code and is exempt from federal and state income taxes under Section 501(c)(3). The Foundation had no material unrelated business income during fiscal year 2024; therefore, no provision for income taxes is included in the financial statements.

Net Position

Unrestricted net position represents resources whose use is not limited or restricted by donors. Unrestricted net position has arisen from exchange transactions and receipt of unrestricted contributions. Restricted net position represents those funds on which external restrictions have been imposed that limit the purposes for which such funds can be used. Restricted expendable net position are resources that the Foundation is legally or contractually obligated to spend in accordance with imposed restrictions by third parties, such as donors.

NOTE 3. CASH AND INVESTMENTS

The Foundation's cash accounts are held in demand checking and money market accounts at multiple institutions with a carrying amount totaling \$1,475,103 at June 30, 2024.

Custodial Credit Risk-Cash

Custodial credit risk is the risk that, in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation maintains cash deposits in several financial institutions. The Foundation's cash accounts are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 and collateralized by collateral held by the pledging bank's trust department when necessary. As of June 30, 2024, none of the Foundation's bank balance of \$663,965 was exposed to custodial credit risk. As of June 30, 2024, no amount was uninsured and collateralized. The money market mutual funds held by the Foundation are not insured by the FIDC, however they are not subject to custodial credit risk.

**STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Investments

The investment policy allows the Foundation to invest its portfolio in equities, fixed-income, alternative investments, and other investment strategies to maintain sufficient liquidity to meet projected distribution requirements. A summary of investments at June 30, 2024 is as follows:

Mutual Funds – Equities	\$	9,089,262
Mutual Funds – Bonds		3,527,459
Exchange Traded Equities		2,380,504
Exchange Traded – Fixed		<u>2,733,941</u>
	\$	<u>17,731,166</u>

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the Foundation will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Foundation's exposure to custodial credit risk at June 30, 2024 is as follows:

Investment Type	Custodian	Fair Value
Mutual Funds – Equities	Fidelity Investments	\$ 9,089,262
Mutual Funds – Bonds	Fidelity Investments	3,527,459
Exchange Traded Equities	Fidelity Investments	2,380,504
Exchange Traded – Fixed	Fidelity Investments	<u>2,733,941</u>
		\$ <u>17,731,166</u>

Fidelity Investments are members of Securities Investor Protection Corporation (SIPC). As a result, securities are protected up to \$500,000. In addition to the SIPC protection, Fidelity Investments provide excess coverage from Lloyd's of London in conjunction with other insurers. Total aggregate excess of SIPC coverage is \$1 billion each, but there is a per unit limit of \$1.9 million for cash awaiting investment.

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of the Foundation's investment in a single issuer. Investments in any one issuer that represents 5% or more for bonds and 5% or more for all other investments are considered to be exposed to concentrated credit risks and are required to be disclosed. Investments issued and explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. There were no bonds in a single issuer that represents 10% or more of the total investments and there were no other investments 5% or more of the total investments at June 30, 2024.

A detail of the cash and investment account at June 30, 2024 is included below.

**STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Name of Depository/ Custodian	Account Type	Institution Balance	Reconciled Book Balance
Deposits			
Century Bank – Public Funds	Non-Interest-Bearing Deposit	\$ 250,000	263,439
East West Bank	Non-Interest-Bearing Deposit	17	17
Raymond James Bank	Non-Interest-Bearing Deposit	247,032	247,032
Truist Bank	Non-Interest-Bearing Deposit	166,916	166,916
Fidelity Investments	Money Market Mutual Funds	796,424	796,424
Petty Cash	N/A	1,275	1,275
Total Deposits		\$ 1,461,664	1,475,103
Investment Accounts			
Mutual Funds – Equities	Fidelity Investments	\$ 9,089,262	9,089,262
Mutual Funds – Bonds	Fidelity Investments	3,527,459	3,527,459
Exchange Traded Equities	Fidelity Investments	2,380,504	2,380,504
Exchange Traded – Fixed	Fidelity Investments	2,733,941	2,733,941
Total Investments		\$ 17,731,166	17,731,166

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Foundation does not have a policy on investment credit risk. The Foundation's bonds had the following credit risk structure as of June 30, 2024:

Investment Type	Rating	Percentage
Bond Mutual Funds:		
Vanguard Inter-Term Inv	A	5.27%
Vanguard Short-Term Inv	A	6.55%
Vanguard Ultra Short-Term	A	2.09%
Fidelity Floating Rate	A	2.89%
Doubleline Total Return	BB	3.10%

Interest Rate Risk – Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation does not have a policy to limit its exposure to interest rate risk. At June 30, 2024, Foundation's bond mutual funds are subject to interest rate risk.

Investment Income

For the year ended June 30, 2024, component of investment income were as follows:

Interest and dividend income	\$ 509,044
Net unrealized and realized gain	1,660,135
Investment management fees taxes	(38,252)
Total Net Investment Income	\$ 2,130,927

**STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement

The Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices (unadjusted) for the identical assets in active markets, accessible at the measurement date. Level 1 inputs include exchange markets, dealer markets, brokered markets, and principal to principal markets.
- Level 2 inputs are inputs - other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly. Level 2 inputs include quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active.
- Level 3 inputs are unobservable inputs for an asset.

Investments that do not have a readily determinable fair value are recorded using net asset value (NAV). NAV is generally provided by the investment managers but the Foundation considers the reasonableness of the NAV, based on market information, to arrive at the fair value estimates for each investment.

The Foundation has the following recurring fair value measurement as of June 30, 2024:

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Investments held by the Foundation:				
Mutual Funds – Equities	\$ 9,089,262	9,089,262	-	-
Mutual Funds – Bonds	3,527,459	3,527,459	-	-
Exchange Traded Equities	2,380,504	2,380,504	-	-
Exchange Traded – Fixed	<u>2,733,941</u>	<u>2,733,941</u>	-	-
Total Investment subject to leveling	\$ <u>17,731,166</u>	<u>17,731,166</u>	<u>-</u>	<u>-</u>
Investment measured at the net asset value (NAV):	\$ <u>-</u>			
Total investments	\$ <u>17,731,166</u>			

NOTE 4. NON-CASH GIFT REVENUE

The Foundation has recorded the estimated value of contributed goods and services received from various sources as non-cash gift revenue and expense. The Foundation has received non-cash gift revenue of \$335,095 from the College and \$61,702 from donors for the year ended June 30, 2024. The following is a summary of the classification of non-gift revenue:

Salaries & Benefits	\$ 300,149
Instructional Supplies	48,402
Artwork	13,300
Operating Income	<u>34,946</u>
Total Non-Gift Revenue	\$ <u>396,797</u>

STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5. RELATED PARTY TRANSACTIONS

The College provides office space, personnel, utilities, and general operating expenses to the Foundation. These amounts are included in non-gift revenue in the amount of \$335,095 and in general and administrative expenses of \$335,095. In addition, the Foundation will incur certain expenditures including various scholarships and programs that are paid through the College. The Foundation will reimburse the College for these items it has paid on behalf of the Foundation.

During the fiscal year 2024, members of the board of directors made new gifts to the Foundation totaling \$11,102.

NOTE 6. RISK MANAGEMENT

The Foundation is physically housed within the College and the College provides office space, personnel, utilities, and general operating expenses to Foundation. The Foundation's exposure to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omission, injuries to employees, and natural disasters fall within the College's insurance coverage.

NOTE 7. DUE TO SANTA FE COMMUNITY COLLEGE

The Foundation has amounts due to the College for donor contribution spending and grant spending in the amount of \$1,066,362, which is included in current liabilities as of June 30, 2024. These expenses are made up of scholarships and special project costs.

NOTE 8. ENDOWMENTS

On July 1, 2009, the Uniform Prudent Management of Institutional Funds Act became effective in New Mexico. If a donor has not provided specific instructions, state law permits the Board of Directors to authorize for expenditure the interest, dividends and net appreciation (realized and unrealized) of the investments of endowment funds.

The endowment spending policy provides that a maximum of up to 7% of the market value of the Long Term Investment Accounts invested for Endowments, calculated quarterly on the rolling average market value of the prior twelve quarters, will be made available for expenditures each year. Expenditures within the 7% limit will be made to realize the intended purposes of the Endowment, any total return above 7% will be returned to the endowment corpus unless an endowment donor explicitly specifies a different arrangement in the endowment gift instrument, and any unspent portion of the 7% will be returned to the corpus but may be available to support the designated purposes of the Endowment in the following fiscal year. The amount available for expenditure at June 30, 2024 is \$115,795.

As of June 30, 2024, the value of the Foundation's endowment portfolio was \$15,073,687 and the permanent endowment contributions were \$10,458,860.

**STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9. NET POSITION

For the year ended June 30, 2024, restricted expendable net position of the Foundation is comprised of the following:

College Programs	\$	5,624,276
Scholarships		881,321
Endowments		65,858
		<u>6,571,455</u>

For the year ended June 30, 2024, restricted unexpendable net position of the Foundation is comprised of the following:

College Programs	\$	338,015
Faculty Awards		2,038,487
Scholarships		5,293,797
Endowments		2,788,561
		<u>10,458,860</u>

NOTE 10. INCOME TAX MATTERS

The Internal Revenue Service has not examined any of the Form 990 tax returns. However, the Foundation's tax returns for 2024, 2023, and 2022 are subject to examination by the IRS, generally, for three years after they were filed. The Foundation recognizes tax benefits only to the extent the Foundation believes it is "more likely than not" that its tax position will be sustained upon IRS examination.

NOTE 11. SUBSEQUENT EVENTS

The Foundation has evaluated events subsequent to June 30, 2024 that would possibly required adjustment or disclosure in these financial statements, through October 30, 2024, the date that these statements were available to be issued. There were no events identified that require adjustment or disclosure as of June 30, 2024.

OTHER INFORMATION

**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**

To Joseph M. Maestas, P.E.
New Mexico State Auditor

To the Board of Directors
Santa Fe Community College Foundation
Santa Fe, New Mexico

We have audited, 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, the financial statements of Santa Fe Community College Foundation (the "Foundation"), a nonprofit organization and component unit of Santa Fe Community College, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated October 30, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing the 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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 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 may exist that have not been identified.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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 determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Pattillo, Brown & Hill, LLP

Pattillo, Brown & Hill, LLP
Albuquerque, New Mexico
October 30, 2024

**STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? Yes X No
- Significant deficiency (ies) identified? Yes X None reported
- Non-compliance material to financial
statements noted? Yes X No

**STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

**SECTION III – Other Findings, AS REQUIRED BY NEW MEXICO STATE STATUTE, SECTION 12-6-5,
NMSA 1978**

NONE

SECTION IV – STATUS OF PRIOR YEAR FINDINGS

NONE

**STATE OF NEW MEXICO
SANTA FE COMMUNITY COLLEGE FOUNDATION
(A COMPONENT UNIT OF SANTA FE COMMUNITY COLLEGE)
EXIT CONFERENCE
JUNE 30, 2024**

The contents of this report were discussed in an exit conference held on October 30, 2024, with the following in attendance:

Santa Fe Community College Foundation:

Dr. Rebecca Rowley, SFCC President
Kelly Marquez, SFCCF Executive Director
Jeffrey Szabat, SFCCF Board President
Jody Pugh, SFCC Governing Board Chair
Nick Telles, SFCC Vice President of Finance/CFO
Dr. Yash Morimoto, SFCC Vice President of Strategy and Organizational Effectiveness
Cori Bergen, SFCC Chief Informational Officer
Amy Pell, CPA, SFCC Associate Vice President of Financial Services/Controller
Jessica Garcia, CPA, SFCC Associate Controller

Pattillo, Brown and Hill, L.L.P. (PB&H):

Chris Garner, CPA, Partner

Pattillo, Brown and Hill, L.L.P. (PB&H) assisted in the preparation of the financial statements presented in this report. The Foundation's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.