



MEMORANDUM

TO: Brian Colón, State Auditor
Natalie Cordova, Deputy State Auditor

VIA: Alan Webber, Mayor
Jarel LaPan Hill, City Manager
Raul Anaya, Principal, CLA
Andres Gamez, Director, CLA

FROM: Alexis Lotero, Assistant Finance Director
Debra Harris-Garmendia, Accounting Officer

RE: FY20 Audit Status Update

DATE: June 28, 2021

As we have previously communicated to your office, the audit for the City of Santa Fe's financial statements as of and for the year ended June 30, 2020 would not be submitted by the statutory deadline of December 15, 2020. Due to matters previously communicated to the Office of the State Auditor, the City of Santa Fe has required additional time for audit preparedness. Section 2.2.2.9(C) of the Audit Rule for 2020 requires written status reports to the Office of the State Auditor. We have worked with CliftonLarsonAllen, LLP (CLA) on a revised timeline for submission on or before June 30, 2021. Due to continued challenges previously communicated to your office, the June 30, 2021 submission date will not be met. We have worked with CLA on a new revised timeline for submission, August 31, 2021. Please see below for the status of key audit milestones that have been completed or are scheduled in the coming weeks.

- Ongoing- Weekly Audit Status Calls between City staff and CLA
- October 20, 2020 – FY20 Entrance Conference with CLA, City leadership, Audit Committee Chair and Finance Committee Chair
- October 23, 2020- Memo from CLA and City notifying OSA the City would not meet the December deadline for submitting FY20 audit.
- February 19, 2021- Meeting with OSA, CLA, City leadership and Audit Committee Chair. CLA and City staff notified OSA staff that City was experiencing additional delays in audit preparation.
- March 31, 2021- City of Santa Fe submit Trial Balance and City of Santa Fe completed PBC list associated with accounting data, schedules and calculations. Grants submissions continue to be work in progress.
- April 1, 2021- June 30, 2021 - Ongoing risk assessment and field work by CLA
- April 1, 2021- August 1, 2021 - City staff will provide support to CLA's field work requests.
- June 2021 – July 16, 2021 – City finalizing reconciliation of expenditures of federal grant awards and related activities, including SEFA, grant revenues, grant receivables to CLA.
- August 2021 – prepare CAFR documents, review CAFR and a conduct exit conference.
- August 31, 2021- Submission of Audit Report

Despite social distancing and remote work requirements implemented as a result of the COVID-19 pandemic, City staff and CLA will be able to conduct FY20 audit work while working at different locations. In coming weeks,

if onsite field work is necessary the City of Santa Fe has prepared space for CLA staff to work onsite. If we become aware of any matters that will result in the audit report being submitted to your office later than August 31, 2021, we will inform your office of the circumstances and a revised timeline.

Alexis Lotero
Assistant Finance Director
City of Santa Fe

Raul Anaya CPA, CFE, CGFM
Principal
CLA