

state of new mexico



(a component unit of santa fe community college)

financial statements with  
independent auditors' report

for the year ended  
june 30, 2015



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# Santa Fe Community College Foundation

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**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Official Roster  
June 30, 2015

**Board of Directors**

Richard Abeles	President
Rachel Belash	Vice President
Carmen Gonzales	Secretary
Rosemary Palazzi Mulcahy	Treasurer
Carole Brito	Member
Kenneth Dettelbach	Member
Robert Glick	Member
Randy Grissom	Member, SFCC President
Frederick Nugent	Member
Martha Romero	Member, SFCC Governing Board Representative
Pablo Sedillo	Member, SFCC Governing Board Representative
Linda Vega	Member
Nancy Witter	Member
Sharon Woods	Member
Deborah Boldt	Executive Director
Kelly Smith	Foundation Database/Fund Development Manager
Linda Cassel	Executive Assistant



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

## **Independent Auditors' Report**

Timothy Keller  
New Mexico State Auditor  
Board of Directors  
Santa Fe Community College Foundation  
Santa Fe, New Mexico

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

We have audited the accompanying financial statements of Santa Fe Community College Foundation (the Foundation), a component unit of Santa Fe Community College, which comprise the statement of net position as of June 30, 2015, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements which collectively comprise 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion 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 auditor's 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Foundation as of June 30, 2015, and the changes in its net position and its cash flows 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's discussion and analysis on page 9 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Cash and Investments is presented for purposes of additional analysis and is not a required part of the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2015, 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.

*Accounting + Consulting Group, LLP*

Accounting and Consulting Group, LLP  
Albuquerque, New Mexico  
October 25, 2015

## **Management's Discussion and Analysis**



**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Management's Discussion and Analysis  
June 30, 2015

**Financial Analysis**

The Statement of Net Position discloses information on assets, liabilities and net position. The Foundation's total assets at June 30, 2015 of \$8,055,117 exceeded total liabilities of \$118,282, yielding total net position of \$7,936,835. The total net position showed an increase of approximately 10% for the 2015 fiscal year. The primary factor contributing to this net increase was growth in donations.

Foundation total assets at June 30, 2014 of \$7,231,318 exceeded total liabilities of \$489,324, yielding total net position of \$6,741,994. The total net position showed an increase of approximately 11% for the 2014 fiscal year. The primary factor contributing to this net increase was an increase in donations and investment income.

At June 30, 2015, the major portion of SFCC Foundation's assets is its investments (78%) followed by cash (15%) and art collections (7%). Investment income for fiscal year ended 2015 amounted to \$74,339, which was lower than the previous year's investment income of \$667,106.

Total operating revenues of \$1,150,185 were recorded for the year ending June 30, 2015. Non-operating revenues, net of fees were \$32,476. Total operating revenues increased 47% from the prior year, largely due to the increase in endowment donations. Total operating revenues of \$783,341 were recorded for the year ending June 30, 2014. Non-operating revenues were \$625,268 for the year ending June 30, 2014.

Total operating expenses for fiscal year 2015 were \$933,923 which represented a 9% increase in spending from the prior year. The increases were primarily due to temporarily restricted disbursements to Santa Fe Community College. Total operating expenses for fiscal year 2014 were \$857,113.

**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Statement of Net Position  
June 30, 2015

<b>Current Assets</b>	
Cash and cash equivalents	\$ 1,229,362
Investments, at fair value	6,262,144
Prepays	<u>22,551</u>
Total Current Assets	<u>7,514,057</u>
<b>Noncurrent Assets</b>	
Artwork collections	<u>541,060</u>
Total Assets	<u><u>\$ 8,055,117</u></u>
<b>Current Liabilities</b>	
Annuity payable, current portion	\$ 3,650
Due to Santa Fe Community College	<u>101,164</u>
Total Current Liabilities	<u>104,814</u>
<b>Noncurrent Liabilities</b>	
Annuity payable, less current portion	<u>13,468</u>
Total Liabilities	<u>118,282</u>
<b>Net Position</b>	
Unrestricted	620,220
Restricted, expendable	805,406
Restricted, unexpendable	<u>6,511,209</u>
Total Net Position	<u>7,936,835</u>
Total Liabilities and Net Position	<u><u>\$ 8,055,117</u></u>

The accompanying notes are an integral part of these financial statements

**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, 2015

<b>Operating Revenues</b>	
Gifts	\$ 762,646
Non-gift revenue	387,439
Other revenues	<u>100</u>
Total Operating Revenues	<u>1,150,185</u>
 <b>Operating Expenses</b>	
General and administrative	437,341
Contributions to SFCC:	
Scholarships	317,353
Program support	<u>179,229</u>
Total Operating Expenses	<u>933,923</u>
<b>Operating Income</b>	<u>216,262</u>
 <b>Non-Operating Revenues (Expenses)</b>	
Investment income	74,339
Investment management fees and taxes	<u>(41,863)</u>
Total Non-Operating Revenues (Expenses)	<u>32,476</u>
<b>Income Before Contributions to Permanent Endowments</b>	<u>248,738</u>
 <b>Contributions to Permanent Endowments</b>	
Gifts	<u>946,103</u>
Change in Net Position	1,194,841
Net Position, Beginning of the Year	<u>6,741,994</u>
Net Position, End of the Year	<u><u>\$ 7,936,835</u></u>

The accompanying notes are an integral part of these financial statements

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**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Statement of Cash Flows  
For the Year Ended June 30, 2015

<b>Cash Flows from Operating Activities:</b>	
Cash received from donors	\$ 757,399
Cash received from other sources	100
Cash paid to SFCC for scholarships and program support	(885,974)
Cash paid for operating expenses	<u>(54,252)</u>
<b>Net Cash Used by Operating Activities</b>	<u><u>(182,727)</u></u>
<b>Cash Flows from Non-Capital Financing Activities</b>	
Cash received from donors for permanent endowments	<u>946,103</u>
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<u><u>946,103</u></u>
<b>Cash Flows from Investing Activities</b>	
Purchase of investments	(3,794,420)
Proceeds from sale of investments	3,083,834
Interest and dividend income	206,906
Investment management fees	<u>(41,863)</u>
<b>Net Cash Used by Investing Activities</b>	<u><u>(545,543)</u></u>
<b>Net Increase in Cash and Cash Equivalents</b>	217,833
Cash and Cash Equivalents, beginning of year	<u>1,011,529</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 1,229,362</u></u>
<b>Reconciliation of Operating Income to Net Cash</b>	
<b>Used by Operating Activities:</b>	
Operating income	\$ 216,262
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in:	
In-kind expenses capitalized	(31,599)
Due to Santa Fe Community College	<u>(367,390)</u>
<b>Total Adjustments</b>	<u><u>(398,989)</u></u>
<b>Net Cash Used by Operating Activities</b>	<u><u>\$ (182,727)</u></u>
<b>Supplemental Disclosure of Non-Cash Investing Activities:</b>	
Change in fair value of investments	<u><u>\$ (325,615)</u></u>
Non-cash donation	<u><u>\$ 31,599</u></u>

**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Notes to the Financial Statements  
June 30, 2015

**Note 1: Summary of Significant Accounting Policies**

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.

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).

During the year ended June 30, 2015, the Foundation adopted GASB Statements No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 (“GASB 68”), and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68 (“GASB 71”). These two Statements are required to be implemented at the same time. The Statements address accounting and financial reporting for pensions that are provided to the employees of state and local governments through pension plans. Because the Foundation does not participate in such a pension, the implementation of GASB 68 is not expected to have a significant impact on the Foundation's financial statements.

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 mutual fund investments, with maturities of three months or less from the date of acquisition to be cash equivalents.

Promises to Give

Contributions and promises to give are recognized as revenues when received or pledged. If there are no time or donor restrictions placed on these contributions and promises to give, the revenue is reflected as an increase in unrestricted net position; however, if such restrictions do exist, the revenue is classified as restricted expendable

**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Notes to the Financial Statements  
June 30, 2015

**Note 1: Summary of Significant Accounting Policies (continued)**

or restricted unexpendable, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net position is reclassified to unrestricted net position and reported in the statement of activities as net position released from restrictions. The carrying amount of unconditional promises to give to be received in less than one year approximate the fair value because of the short maturity of those financial instruments. All promises to give expected to be received in more than one year are computed using the present value technique applied to anticipated cash flows.

Allowance for Doubtful Accounts

The Foundation uses the direct write-off method in recognizing uncollectible pledges receivable. Under this method, pledges are charged to operations when they are deemed by management to be uncollectible.

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.

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 average market value of the three years' prior to January 1<sup>st</sup>. 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.

**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Notes to the Financial Statements  
June 30, 2015

**Note 1: Summary of Significant Accounting Policies (continued)**

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.

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 2015; therefore, no provision for income taxes is included in the financial statements.



**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Notes to the Financial Statements  
June 30, 2015

**Note 1: Summary of Significant Accounting Policies (continued)**

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 operating 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 2: Cash and Investments**

The Foundation's cash accounts are held in demand checking accounts at an institution with a carrying amount totaling \$1,229,362 at June 30, 2015.

Concentration of Credit Risk – Cash

The Foundation maintains deposits in two financial institutions. All of the Foundation's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, are insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for each demand deposit account. As of June 30, 2015, the Foundation's uninsured cash deposits total were \$734,612.

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, 2015 follows:

Money Market Mutual Funds	\$ 54,905
Corporate Stocks	530,303
Mutual Funds - Equities	2,909,401
Mutual Funds - Bonds	2,767,535
	<u>\$ 6,262,144</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, 2015 is as follows:

<u>Investment Type</u>	<u>Custodian</u>	<u>Fair Value</u>
Money Market Mutual Funds	Pershing and Fidelity Investments	\$ 54,905
Corporate Stocks	Pershing Investments	530,303
Mutual Funds - Equities	Fidelity Investments	2,909,401
Mutual Funds - Bonds	Fidelity Investments	2,767,535
		<u>\$ 6,262,144</u>

**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Notes to the Financial Statements  
June 30, 2015

**Note 2: Cash and Investments (continued)**

Fidelity and Pershing 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, both Fidelity and Pershing 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 10% 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, 2015.

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. At June 30, 2015, the Foundation's bond and money market mutual funds are subject to credit risk, however, they are unrated.

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, 2015, Foundation's bond mutual funds are subject to interest rate risk, however, they are all unrated.

Investment Income

For the year ended June 30, 2015, components of investment income were as follows:

Interest and dividend income	\$ 206,945
Net realized gains	193,009
Net unrealized loss	(325,615)
	<u>\$ 74,339</u>

**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Notes to the Financial Statements  
June 30, 2015

**Note 3: Non-Gift Revenue**

The Foundation has recorded the estimated value of contributed goods and services received from various sources as non-gift revenue and expense. The Foundation has received non-gift revenue of \$318,948 from the College and \$68,491 from donors for the year ended June 30, 2015. The following is a summary of the classification of non-gift revenue:

Facilities use gallery space	\$ 68,491
Salaries and benefits	274,998
Financial aid services	17,496
Facilities use SFCC	3,246
Operating expenses	<u>23,208</u>
	318,948
Total Non-Gift Revenue	<u><u>\$ 387,439</u></u>

**Note 4: 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 \$318,948 and in general and administrative expenses of \$318,948. 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 2015, members of the board of directors made new gifts to the Foundation totaling \$231,554.

**Note 5: 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 6: Due to Santa Fe Community College**

The Foundation has amounts due to the College for projects and expenses paid on their behalf during the year in the amount of \$101,164, which is included in current liabilities as of June 30, 2015. These expenses are made up of general and administrative costs, special project costs, and foundation scholarships.

**Note 7: Concentrations**

Approximately 95% of total contributions to permanent endowments came from permanent endowment gifts of \$650,000 for Early Childhood Center of Excellence and \$250,000 for the Tracey Bliss Memorial Endowed Scholarship.

**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Notes to the Financial Statements  
June 30, 2015

**Note 8: Subsequent Events**

The Foundation has evaluated events subsequent to June 30, 2015 that would possibly require adjustment or disclosure in these financial statements, through October 25, 2015, the date that these statements were available to be issued. There were no events identified that require adjustment or disclosure as of June 30, 2015.

**Note 9: Income Tax Matters**

The Internal Revenue Service has not examined any of the Form 990 tax returns. However, the Foundation's tax returns for 2015, 2014 and 2013 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.

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## **Supplementary Information**

**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Schedule of Cash and Investments  
As of June 30, 2015

<u>Name of Depository/Custodian</u>	<u>Account Type</u>	<u>Institution Balance</u>	<u>Reconciled Book Balance</u>
<b>Deposits</b>			
Wells Fargo	Non-Interest-Bearing Deposit	\$ 877,599	\$ 877,649
Wells Fargo	Non-Interest-Bearing Deposit	5,859	559
		<u>\$ 883,458</u>	<u>\$ 878,208</u>
<b>Deposits</b>			
Century Bank - Public Funds	Non-Interest-Bearing Deposit	351,154	351,154
		<u>\$ 351,154</u>	<u>\$ 351,154</u>
<b>Investment Accounts</b>			
Pershing and Fidelity Investments	Money Market Mutual Funds	\$ 54,905	\$ 54,905
Pershing and Fidelity Investments	Corporate Stocks	530,303	530,303
Fidelity Investments	Mutual Funds - Equities	2,909,401	2,909,401
Fidelity Investments	Mutual Funds - Bonds	2,767,535	2,767,535
		<u>\$ 6,262,144</u>	<u>\$ 6,262,144</u>

See Independent Auditors' Report

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## **Compliance Section**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

**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***

**Independent Auditors' Report**

Timothy Keller  
New Mexico State Auditor  
Board of Directors  
Santa Fe Community College Foundation  
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 statement of net position, and the related statements of revenues, expenses and changes in net position, and cash flows of Santa Fe Community College Foundation (the Foundation), a component unit of Santa Fe Community College, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated October 25, 2015.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 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 a significant deficiencies or material weaknesses. However, material weaknesses may exist that have not been identified.

## **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 statement amounts. 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 Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Accounting + Consulting Group, LLP*

Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
October 25, 2015

Santa Fe Community College Foundation  
(A Component Unit of Santa Fe Community College)  
Schedule of Findings and Responses  
June 30, 2015

**A. Prior Year Audit Findings**

No prior year audit findings to report.

**B. Financial Statement Findings**

No audit findings to report.

**Santa Fe Community College Foundation**  
(A Component Unit of Santa Fe Community College)  
Other Disclosures  
June 30, 2015

**A. Financial Statement Presentation**

Accounting & Consulting Group, LLP prepared the GAAP-basis financial statements and footnotes of Santa Fe Community College Foundation from the original books and records provided to them by the management of the Foundation. The responsibility for the financial statements remains with the Foundation.

**B. Exit Conference**

The contents of this report were discussed on October 28, 2015. The following individuals were in attendance.

Santa Fe Community College Foundation Personnel

Randy Grissom, President, SFCC  
Nick Telles, Vice President of Finance, SFCC  
Richard Abeles, President of the Board of Directors, SFCC Foundation  
Deborah Boldt, Executive Director  
Kelly Smith, Foundation Database/Fund Development Manager  
Rosemary Mulcahy, Treasurer

Accounting & Consulting Group, LLP Personnel

Alan Bowers, Manager