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**CITY OF SANTA FE, NEW MEXICO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2010**

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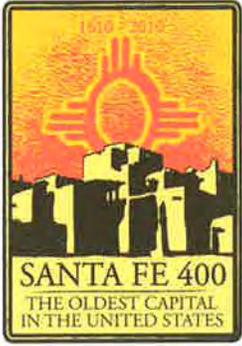
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## **Introductory Section**

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# City of Santa Fe, New Mexico

200 Lincoln Avenue, P.O. Box 909, Santa Fe, N.M. 87504-0909

David Coss, *Mayor*

Councilors:

Rebecca Wurzbarger, Mayor Pro Tem, Dist. 2

Patti J. Bushee, Dist. 1

Chris Calvert, Dist. 1

Rosemary Romero, Dist. 2

Miguel M. Chavez, Dist. 3

Carmichael A. Dominguez, Dist. 3

Matthew E. Ortiz, Dist. 4

Ronald S. Trujillo, Dist. 4

July 15, 2011

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Santa Fe: State law requires the State Auditor to promulgate reasonable regulations necessary to carry out the duties of the office. These duties include regulations that require all municipalities in the

State of New Mexico to submit a complete set of financial statements. These statements should be presented in conformity with generally accepted accounting principles (GAAP). They should also be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants for the previous fiscal year ending June 30. Pursuant to that requirement we hereby issue the comprehensive annual financial report of the City of Santa Fe for the fiscal year ending June 30, 2010.

This report consists of management's representations concerning the finances of the City of Santa Fe. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Santa Fe has established a comprehensive internal control framework. It is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Santa Fe's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Santa Fe's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

The City of Santa Fe's financial statements have been audited by Atkinson & Co. Ltd., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Santa Fe for the fiscal year ended June 30, 2010 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a



Honorable Mayor, Members of the Governing Council, and Citizens of the City of Santa Fe

reasonable basis for rendering an unqualified opinion that the City of Santa Fe's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Santa Fe was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available herein as a separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

#### **PROFILE OF GOVERNMENT:**

The City of Santa Fe was founded in 1609 and chartered as a town in 1891 under territorial law. It is located in the central northern part of the state and is the oldest capital in the United States. It currently has a population of approximately 67,947 people. The City in December 1997, by electoral vote, approved a Municipal Charter which became effective in March 1998. The City is empowered to levy a property tax on real properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Santa Fe has operated under the mayor-council-city manager form of government since 1954. Policy-making and legislative authority are vested in the governing body consisting of the mayor and eight city councilors. The governing body serves as the principal policy maker of the City. The governing body is responsible for passing ordinances, management of City finances and property, adopting the budget and creation or abolishment of departments. The mayor appoints and may remove the city manager, the city attorney, the city clerk and members of advisory commissions, subject to the approval of the governing body. The city manager is the chief administrative officer of the City and is responsible for carrying out the policies and ordinances approved by the governing body. In addition to overseeing the day-to-day operations of the City, the city manager also appoints the directors of the various departments, the preparation of the annual budget and keeps the governing body informed of the financial condition and needs of the City. The governing body is elected on a non-partisan basis. City council members serve four-year staggered terms with four city councilors elected

Honorable Mayor, Members of the Governing Council, and Citizens of the City of Santa Fe

every two years; the eight council members are elected by districts. The mayor is elected at large in addition to serving a four-year term.

The City provides a full range of services, including police and fire protection, public works, highways and streets, wastewater operations, refuse collection and transport, water services, transit, parking facilities operations, convention center services, recreational activities, cultural events, community welfare and municipal airport. The City is responsible for one component unit – Santa Fe Civic Housing Authority. The component unit is included in the reporting entity because of the significance of its operational or financial relationship with the City. The City is financially accountable for the component unit since the mayor, with approval of the city council, appoints a voting majority of the governing board and can impose its will on the entity. The component unit is discretely presented in the City's financial statements with additional information in the notes to the financial statements.

The annual budget serves as the foundation for the City of Santa Fe's financial planning and control. All departments of the City are required to submit requests for appropriations to the city manager in March of each year. The city manager uses these requests as the starting point for developing a proposed budget for the upcoming fiscal year. The city manager then presents this proposed budget to the finance committee (composed of five city councilors) in April through a series of public meetings. The city council reviews the finance committee's recommended budget for adoption of a final budget by June 1 for the fiscal year commencing July 1. The appropriated budget is prepared by fund, function (e.g., public safety), and division (e.g., water). The city manager may approve transfers of appropriations within a department up to \$50,000. Transfers over \$50,000 or between funds and budget increases require city council approval. Budget-to-actual comparisons are provided in this report at the function level for the general fund, at the fund level for the special revenue and capital improvement funds and at the division level for the proprietary funds for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 23 through 25 as part of the basic financial statements for the governmental funds. For funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the fund subsections of this report.

#### **FACTORS AFFECTING FINANCIAL CONDITION:**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Santa Fe operates.

**Local Economy.** The City of Santa Fe has a relatively stable economy. As the state capital it benefits from a stable, educated work force working in all level of government totaling 18,500 people which is 28% of the workforce. Its residents also work at Los Alamos National Laboratory, one of the country's premier scientific research centers.

The City is also named as one of the top ten tourist destinations in the country by Travel and Leisure magazine. Further more, it is in the top five art markets in the world and is

Honorable Mayor, Members of the Governing Council, and Citizens of the City of Santa Fe

second only to New York City in the nation. The City's spectacular setting and abundant cultural resources, including over 200 art galleries, four star hotels and resorts, its nationally recognized opera company, music festivals, performance arts organizations and art museums draw visitors and second home owners from all over the world. These assets create a robust business environment.

Like other communities the City continued to suffer a revenue decline and is taking measures to reduce expenditures and prioritize services and projects. The City's reliance on gross receipts tax as a strong funding source for many decades has made it vulnerable to reductions in consumer spending in the current economy. In addition, the City's appeal to retirees and high-income vacation homeowners has produced high housing prices. The high prices have made it difficult for local workers to afford homes in Santa Fe and many live in lower cost communities and commute to Santa Fe. The City has established reserves as a buffer against economic slow downs and funds nearly 60% of its total expenditures from utility rates, fees and grants.

The City Council is confident that a broad ranging program of cost reduction, organizational change and service improvements, coupled with prudent use of reserves will allow the City to deal with long term decline in revenues if the national economy recovers slowly. By investing in the community the City made significant investments in the long-term health of the City. These include completion of a beautiful Convention Center and the successful completion of the Railyard Redevelopment Project area. Both the Railyard and the Convention Center are supported by dedicated gross receipts tax increments in addition to program revenues.

In fiscal 2009 commuter rail connections linked Santa Fe to Albuquerque and other communities. In addition, a major airline began direct commercial air service to Santa Fe. These changes will help offset the reduction of economic activity resulting from the national downturn. Unemployment in the region (which includes the City of Santa Fe and the surrounding unincorporated areas within the same county) was at 7.1% compared to 3.3% in 2008. The region unemployment rate still remains lower than the state unemployment rate of 8.4% and the national rate of 9.6% for 2010.

There was a continued "softening" of the market in terms of the number of sales of homes from 575 in 2008 to 489 in 2009 or a 15% decrease. The median home sales price in the City decreased 10% to \$308,000 from \$344,000 in 2008 using an average of the four quarterly medians. In 2010, the number of homes sold increased to 525 with a median price of \$300,000. In January 2009, the minimum wage in the City was increased from \$9.50 per hour to \$9.85 per hour based on the average increase of the consumer price index for 2008.

#### **LONG-TERM FINANCIAL PLANNING:**

The City completed the Santa Fe Community and Convention Center and the Railyard projects. Furthermore, the City has completed construction on a Rio Grande River Diversion project, the Buckman Diversion Dam, in partnership with Santa Fe County and a private development, Las Campanas. Funding for this \$216 million project will come

Honorable Mayor, Members of the Governing Council, and Citizens of the City of Santa Fe

from cash accumulated by the City's Water Division for this project, City and County bond proceeds, cash from Las Campanas and State and Federal grants and low interest loans. The City Council adopted a ten-year financial plan for the Water Division that includes annual rate increase of 8.2% for five years beginning in 2009.

The City is also completing ten-year plans for its Wastewater Division and a five-year plan for the Solid Waste Division. In addition, the City has implemented five year planning models for other City funds and enterprises beginning in fiscal 2010. In fiscal 2010 the City plans to issue water revenue bonds and gross receipts tax revenue bonds for the Buckman Diversion Project. Other financial planning updates include a study of utility expansion charges and development impact fees, water service costs and indirect cost allocations to be completed in fiscal 2010. These planning efforts will assure that the City maintains the financial soundness of its enterprise operations and increases the resilience and flexibility of its governmental activities.

#### **CASH MANAGEMENT POLICIES AND PRACTICES:**

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, securities issued by the United States Government or its agencies or instrumentalities, money market savings accounts and the New Mexico State Treasurer Local Government Investment Pool (LGIP). The length of investment maturities, range from 6 months to 5 years, with an average maturity of 213 days. The average yield on investments was 1.58%.

#### **PROCUREMENT POLICIES AND PRACTICES:**

As a home rule city, the City of Santa Fe has in place a comprehensive procurement manual to guide and control all procurement done by the City and has a centralized purchasing office that reviews essentially all procurements for compliance. The procurement manual is updated regularly as needed to adopt changes in policies and to address issues that may arise over time. It also includes sections on federal procurement which may supersede the city policies and procedures when federal regulations are required to be complied with. The procurement manual and any changes are reviewed, approved and adopted by the City Finance Committee and the City Council.

**Risk Management.** The risk management programs include workers' compensation, comprehensive loss coverages, medical and other employee coverages and safety programs. As part of this comprehensive plan, resources are accumulated in internal service funds from premiums assessed to all departments and funds to cover the costs of potential losses. In addition, with the third party administrators certain controls are used including safety checks, employee prevention and reporting training, reviews to recognize liability exposure, health and wellness information and other cost controls.

**Pension and Other Post Employment Benefits.** The City of Santa Fe participates in the State of New Mexico Public Employees Retirement plan. Substantially all of the City's full-time employees participate in the retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees

Honorable Mayor, Members of the Governing Council, and Citizens of the City of Santa Fe

Retirement Association (PERA) is the administrator of the plan. The City fully funds the required payments as determined by PERA through City and member contributions. GAAP do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

The City also provides a Retiree Health Care Program through City and member contributions to the fund. As of January 1, 2006, the program was transferred to the State-sponsored New Mexico Retiree Health Care Authority.

Additional information of the City's pension arrangements and postemployment benefits can be found in Notes V. E. and F. on pages 73-74.

#### **AWARDS AND ACKNOWLEDGEMENTS:**

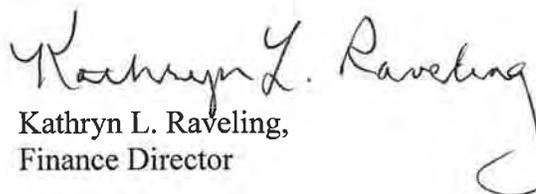
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Santa Fe for its Comprehensive Annual Financial Report (CAFR) for the fiscal years ended June 30, 1988-95, 1997-99, and 2001-06. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 30, 2009 (as well as the previous years since FY 86/87). In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

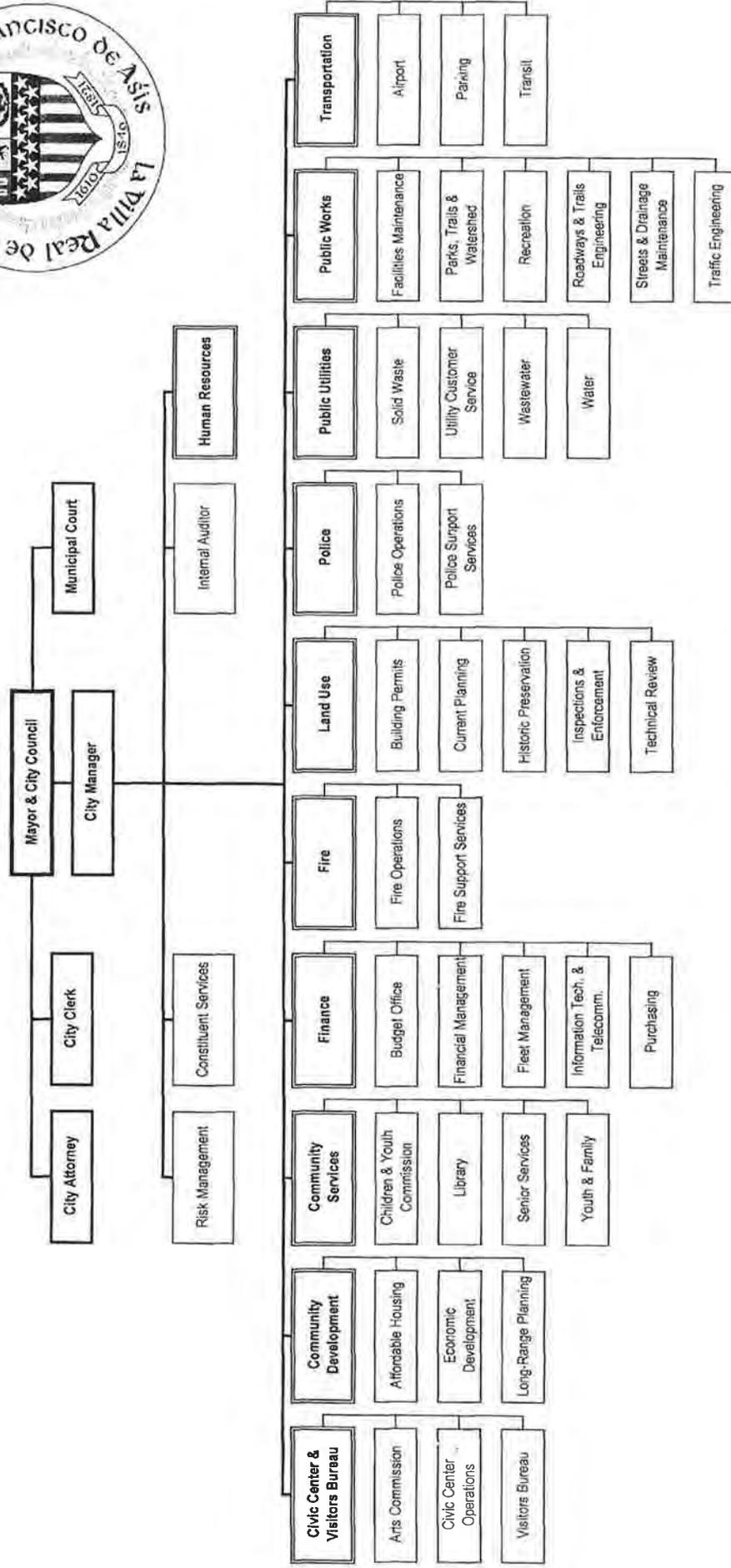
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing body for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

  
Robert P. Romero,  
City Manager

  
Kathryn L. Raveling,  
Finance Director

Council-Approved FY 2010 City of Santa Fe Organizational Chart



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**CITY OF SANTA FE, NEW MEXICO  
PRINCIPAL OFFICIALS  
JUNE 30, 2010**

**MAYOR**

David Coss

**CITY COUNCIL**

Rebecca Wurzburger, Mayor Pro Tem.....	District 2
Patti J. Bushee.....	District 1
Chris Calvert.....	District 1
Rosemary Romero.....	District 2
Miguel M. Chavez.....	District 3
Carmichael A. Dominguez.....	District 3
Ronald S. Trujillo.....	District 4
Matthew E. Ortiz.....	District 4

**CITY MANAGER**

Robert P. Romero

**FINANCE DEPARTMENT**

Kathryn L. Raveling  
Finance Department Director

Teresita Garcia  
Assistant Finance Director

Angelica G. Salazar  
Senior Financial Analyst

Helene Hausman  
Cash/Investment Officer

Cal Probasco  
Budget Officer

SPECIAL ACKNOWLEDGMENT AND APPRECIATION FOR WORK  
ASSOCIATED WITH THE DEVELOPMENT OF THIS REPORT GO TO THE  
FOLLOWING:

FINANCE DEPARTMENT

Kathryn Raveling, Finance Department Director  
Teresita Garcia, Assistant Finance Director  
Helene Hausman, Cash/Investment Officer  
Angelica Salazar, Senior Financial Analyst  
Melissa D. Ortiz, Accounting Supervisor  
Clarence Romero, Accounting Supervisor  
Halona J. Crowe, Financial Analyst  
Tony S. Martinez, Financial Analyst  
Michelle Montoya, Financial Analyst  
Stephen Morales, Financial Analyst  
Jennifer Peabody, Financial Analyst  
Consuelo Pena, Financial Analyst

WEB PUBLICATION

Vincent S. Montoya, Business Analyst

GRAPHICS SECTION

Brian Ferns, Graphic Artist

## **Financial Section**

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ALBUQUERQUE, NM 87110

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PO BOX 26746  
ALBUQUERQUE, NM 87125

## INDEPENDENT AUDITORS' REPORT

City of Santa Fe  
Santa Fe, New Mexico  
Honorable Mayor and City Council  
and  
Hector H. Balderas  
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparison for the general fund of City of Santa Fe as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City of Santa Fe, New Mexico's nonmajor governmental, nonmajor enterprise, and internal service funds and respective budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Santa Fe's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Santa Fe Civic Housing Authority, which is a discretely presented component unit of the City of Santa Fe, which reflects 2.60% percent, 3.52% percent, and 8.97% percent, respectively, of the assets, net assets, and revenues of the governmental and business type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Santa Fe Civic Housing Authority, is based on the report of the other auditors.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Santa Fe as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the general fund for the year then ended in conformity with U.S. generally accepted accounting principles. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, and internal service

funds of the City of Santa Fe, New Mexico, as of June 30, 2010, and the respective changes in the financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons of the major capital project and debt service funds and the nonmajor governmental and enterprise funds presented as supplementary information for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2011, on our consideration of the City of Santa Fe's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 3 through 17 is not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons presented as supplementary information. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The additional schedules listed as "other supplementary information", "other supplementary financial data", and the capital assets schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Atkinson & Co., Ltd.*

**Atkinson & Co., Ltd.**

Albuquerque, New Mexico  
July 15, 2011

## **Management's Discussion and Analysis (UNAUDITED)**

As management of the City of Santa Fe ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through vi of this report.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$585,491,828 (*net assets*). Of this amount, \$205,253,254 (*unrestricted net assets*) may be used to meet the City's obligations to citizens and creditors.
- The City's total assets increased by \$109,103,536 primarily because of significant construction activity for the Buckman Direct Diversion Project and the City's acquisition of the College of Santa Fe in September of 2009.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$74,459,073 a decrease of \$26,762,445 in comparison with the prior year. This primarily reflected the expenditures of capital funds for parks and other projects financed through bonds the previous fiscal year and use of beginning year fund balances to finance the costs of current year operations in response to declines in gross receipts tax revenues.
- Approximately 90 % of total governmental fund balances of \$74,459,073 is reserved or designated for specific purposes. At the end of the current fiscal year, the unreserved and undesignated fund balance is \$7,314,057 and is available for spending at the City's discretion.
- The City's total long-term liabilities increased by \$55,752,847 during the current fiscal year. This reflected the issuance of the 2009A and 2009B Water Utility System/Capital Outlay Gross Receipts Tax Revenue Bonds to be used to fund a portion of the City's share of the regional Buckman Direct Diversion Project and the loans received from NMFA to finance the cost of acquiring the College of Santa Fe and projects related to the Buckman Direct Diversion Project and other water treatment facility improvements and upgrades. In December of 2009 the City issued \$59,970,000 Water Utility/Capital Outlay Gross Receipts Tax Revenue Bonds for the purpose of constructing various water infrastructure projects and to fund the City's share of the regional Buckman Direct Diversion Water Project. In September 2009 the City closed on a loan from the New Mexico Finance Authority in the amount of \$29,615,000 to purchase the facilities of the College of Santa Fe which were leased to Laureate Education, Inc. with the lease amounts to pay the annual debt service.

- On December 1<sup>st</sup> 2010 the City closed on both the 2010A Gross Receipts Tax Refunding Revenue Bonds and 2010B Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds. The 2010A bonds, maturing 6/1/2015, were issued in the amount of \$15,005,000 and refunded the 2002 GRT bonds. The 2010A bonds, maturing in 6/1/2023, were issued in the amount of \$10,490,000 and refunded two New Mexico Finance Authority loans issued for the railyard development.
- On November 1, 2010, the City issued the 2010 General Obligation bonds, the second part of the general obligation bonds approved in 2008 by the voters. This was a \$10,300,000 issue designated solely for parks.

## Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities of the City include the operations of water, wastewater, solid waste, airport, convention center, transit, railyard property and two recreation facilities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Santa Fe Civic Housing Authority for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 18 and 19 of this report.

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

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

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

The City maintains 51 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the CIP 1/2% Gross Receipt Tax Fund, and the Debt Service Fund, all of which are considered to be major funds. Data from the other 48 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 20 through 25 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the

government-wide financial statements. The City uses enterprise funds to account for its Santa Fe Convention Center, Parking Operations, College of Santa Fe, Solid Waste Management, Water Management, Transit Operations, Wastewater Management, Municipal Recreation Complex, Genoveva Chavez Community Center, Railyard Property and Airport. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Employee and Retiree Health Care and Dental program, Risk Management Administration, Workers' Compensation and Union Sick Leave Bank. As the service of these funds listed predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

The basic proprietary fund financial statements can be found on pages 26 through 31 of the report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 through 77 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$585,491,828 at the close of the most recent fiscal year.

A portion of the City's net assets (62 %) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF SANTA FE's

NET ASSETS

For Fiscal Years Ending June 30, 2010 and 2009

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 108,484,656	\$ 138,164,370	\$ 141,558,645	\$ 110,410,697	\$ 250,043,301	\$ 248,575,067
Capital assets	309,367,770	303,637,384	456,186,069	354,281,153	765,553,839	657,918,537
Total assets	417,852,426	441,801,754	597,744,714	464,691,850	1,015,597,140	906,493,604
Long-term liability	117,963,794	136,924,177	259,862,408	185,149,178	377,826,202	322,073,355
Other liabilities	31,517,617	22,371,138	20,761,493	7,159,005	52,279,110	29,530,143
Total liabilities	149,481,411	159,295,315	280,623,901	192,308,183	430,105,312	351,603,498
Net assets:						
Invested in capital assets,						
net of related debt	188,345,882	178,547,796	174,237,581	160,986,556	362,583,463	339,534,352
<b>Restricted</b>	<b>10,693,806</b>	<b>10,290,331</b>	<b>6,961,305</b>	<b>1,232,286</b>	<b>17,655,111</b>	<b>11,522,617</b>
Unrestricted	69,331,327	93,668,312	135,921,927	110,164,825	205,253,254	203,833,137
Total net assets	\$ 268,371,015	\$ 282,506,439	\$ 317,120,813	\$ 272,383,667	\$ 585,491,828	\$ 554,890,106

An additional portion of the City's net assets (3.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$205,253,254) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City has maintained positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities, however, it should be noted that net assets in the City's Municipal Recreation Complex (MRC) Fund show negative net asset balances of \$6,456,558.

For the Municipal Recreation Complex fund this results from the excess of long term bonds payable over capital assets net of depreciation. MRC operations are supplemented by an annual transfer for debt service and operations from the Capital Improvement Program Gross Receipts Tax Fund.

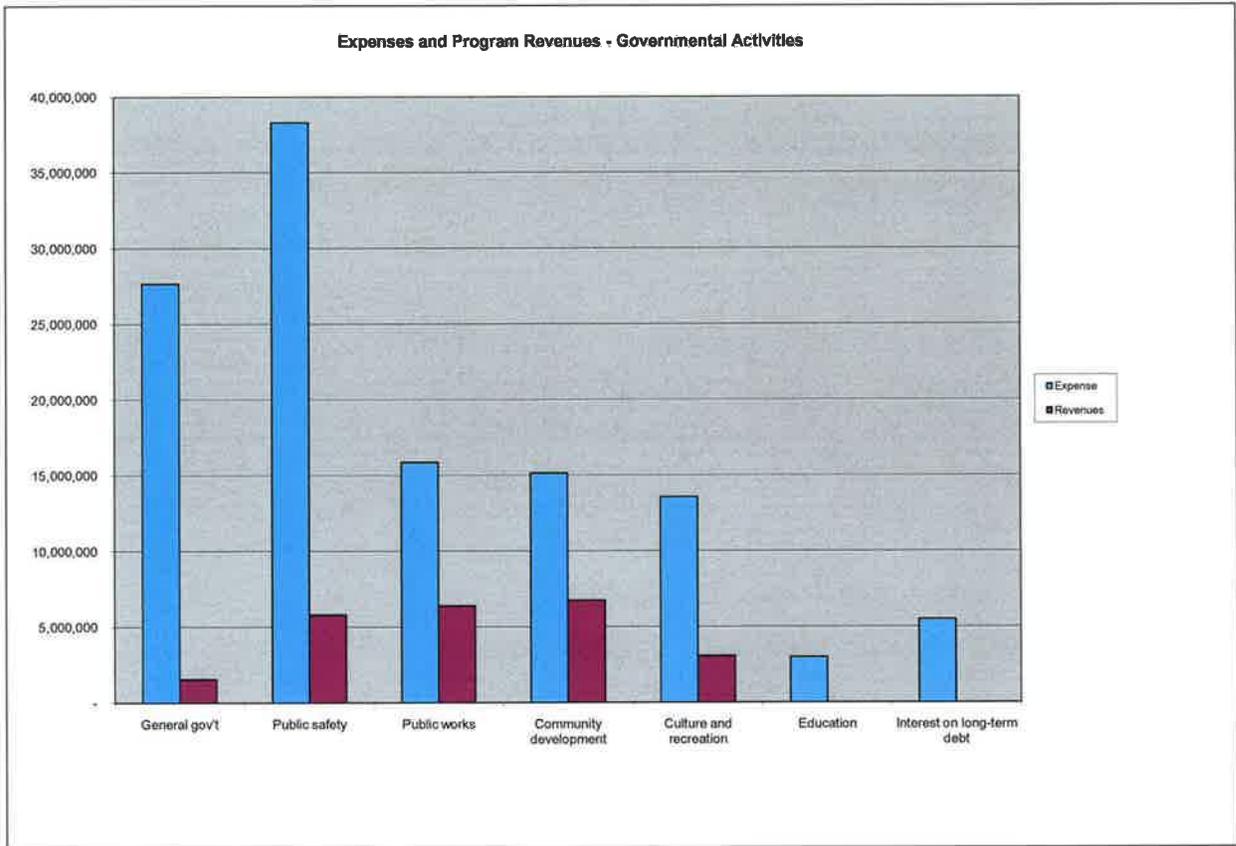
The City's net assets increased by \$30,601,722 during the current fiscal year. This growth largely reflects increases in capital assets in business-type activities related to the Buckman Direct Diversion Project and the City's acquisition of the College of Santa Fe during fiscal year 2010.

**Governmental activities.** Governmental activities decreased the City's net assets by \$14,135,424. This was primarily due to a 7.8% reduction in gross receipts taxes and use of prior year fund balance in the general fund to offset cost of current year operations. Taxes provide 78% of governmental activities revenues. 80% of the taxes is provided by a gross receipts tax (GRT) levied on goods and services in the amount of \$76,345,768. This was down 7.8% from the gross receipts tax revenues received in 2009 in the amount of \$82,800,905.

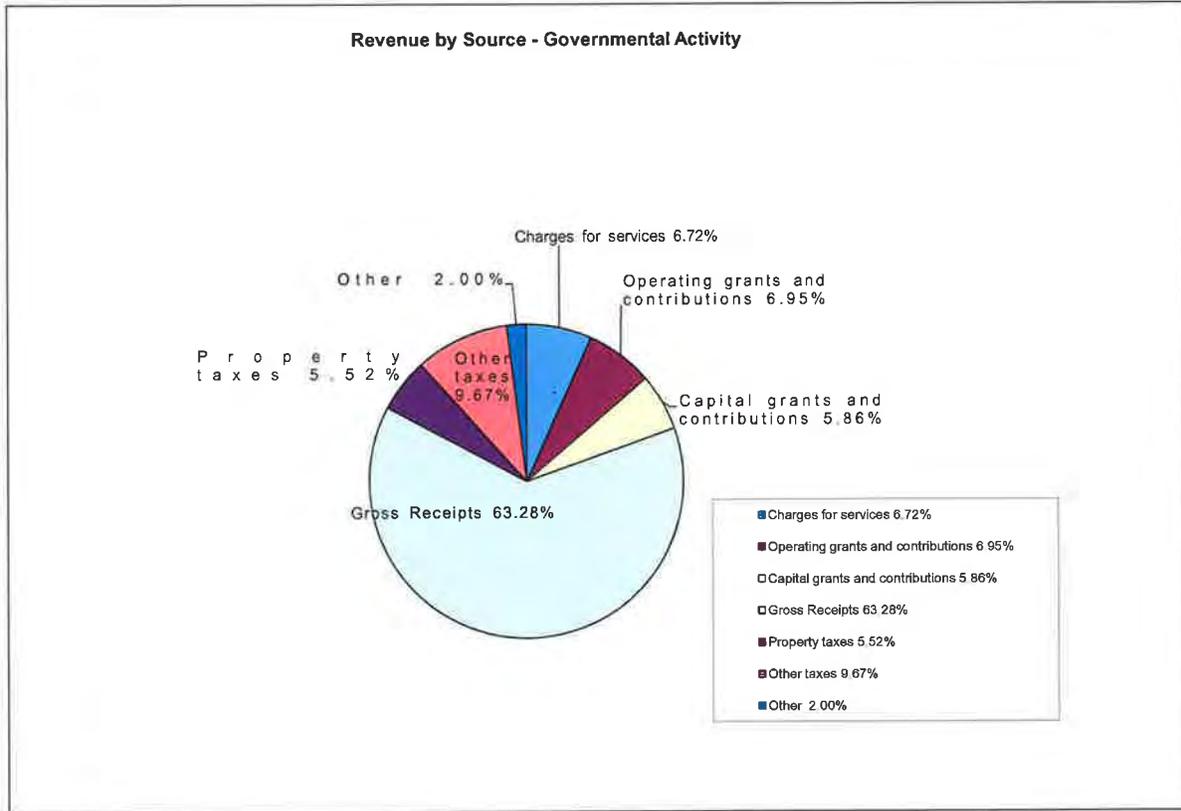
**CITY OF SANTA FE's Changes in Net Assets  
For Fiscal Years Ended June 30, 2010 and 2009**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 8,109,597	\$ 8,567,670	\$ 61,932,944	\$ 53,626,964	\$ 70,042,541	\$ 62,194,634
Operating grants and contributions	8,388,100	5,398,983	1,021,037	1,120,734	9,409,137	6,519,717
Capital grants and contributions	7,059,698	11,467,085	16,201,128	6,438,382	23,260,826	17,905,467
<b>General revenues:</b>						
Sales taxes	76,345,768	82,800,905	10,451,588	11,055,714	86,797,356	93,856,619
Other taxes	18,321,908	16,055,016	-	-	18,321,908	16,055,016
Donated Land and Building	-	-	16,683,838	-	16,683,838	-
Other	2,418,408	4,948,564	1,122,950	5,324,929	3,541,358	10,273,493
<b>Total revenues</b>	<b>120,643,479</b>	<b>129,238,223</b>	<b>107,413,485</b>	<b>77,566,723</b>	<b>228,056,964</b>	<b>206,804,946</b>
<b>Expenses:</b>						
General Government	27,660,875	29,566,386	-	-	27,660,875	29,566,386
Public Safety	38,313,141	38,118,398	-	-	38,313,141	38,118,398
Public Works	15,869,603	15,718,517	-	-	15,869,603	15,718,517
Community Development	15,145,394	12,974,275	-	-	15,145,394	12,974,275
Culture and Recreation	13,580,296	13,417,927	-	-	13,580,296	13,417,927
Education	2,988,945	2,899,570	-	-	2,988,945	2,899,570
Interest on long-term debt	5,485,953	5,456,528	-	-	5,485,953	5,456,528
Wastewater Management	-	-	12,312,850	12,475,625	12,312,850	12,475,625
Water Management	-	-	22,369,231	22,882,185	22,369,231	22,882,185
Solid Waste Management	-	-	9,942,609	9,576,135	9,942,609	9,576,135
College of Santa Fe	-	-	2,436,088	-	2,436,088	-
Railyard Center	-	-	1,741,983	1,373,796	1,741,983	1,373,796
Santa Fe Convention Center	-	-	5,280,908	4,763,646	5,280,908	4,763,646
All other proprietary funds	-	-	24,327,366	24,382,823	24,327,366	24,382,823
<b>Total expenses</b>	<b>119,044,207</b>	<b>118,151,601</b>	<b>78,411,035</b>	<b>75,454,210</b>	<b>197,455,242</b>	<b>193,605,811</b>
Increase in net assets before transfers:	1,599,272	11,086,622	29,002,450	2,112,513	30,601,722	13,199,135
Transfers net	(15,734,696)	(20,489,446)	15,734,696	20,489,446	-	-
<b>Increase (decrease) in net assets</b>	<b>(14,135,424)</b>	<b>(9,402,824)</b>	<b>44,737,146</b>	<b>22,601,959</b>	<b>30,601,722</b>	<b>13,199,135</b>
Beginning balance	282,506,439	291,909,263	272,383,667	249,781,708	554,890,106	541,690,971
<b>Ending balance</b>	<b>\$ 268,371,015</b>	<b>\$ 282,506,439</b>	<b>\$ 317,120,813</b>	<b>\$ 272,383,667</b>	<b>\$ 585,491,828</b>	<b>\$ 554,890,106</b>

**CITY OF SANTA FE  
Fiscal Year 09/10**

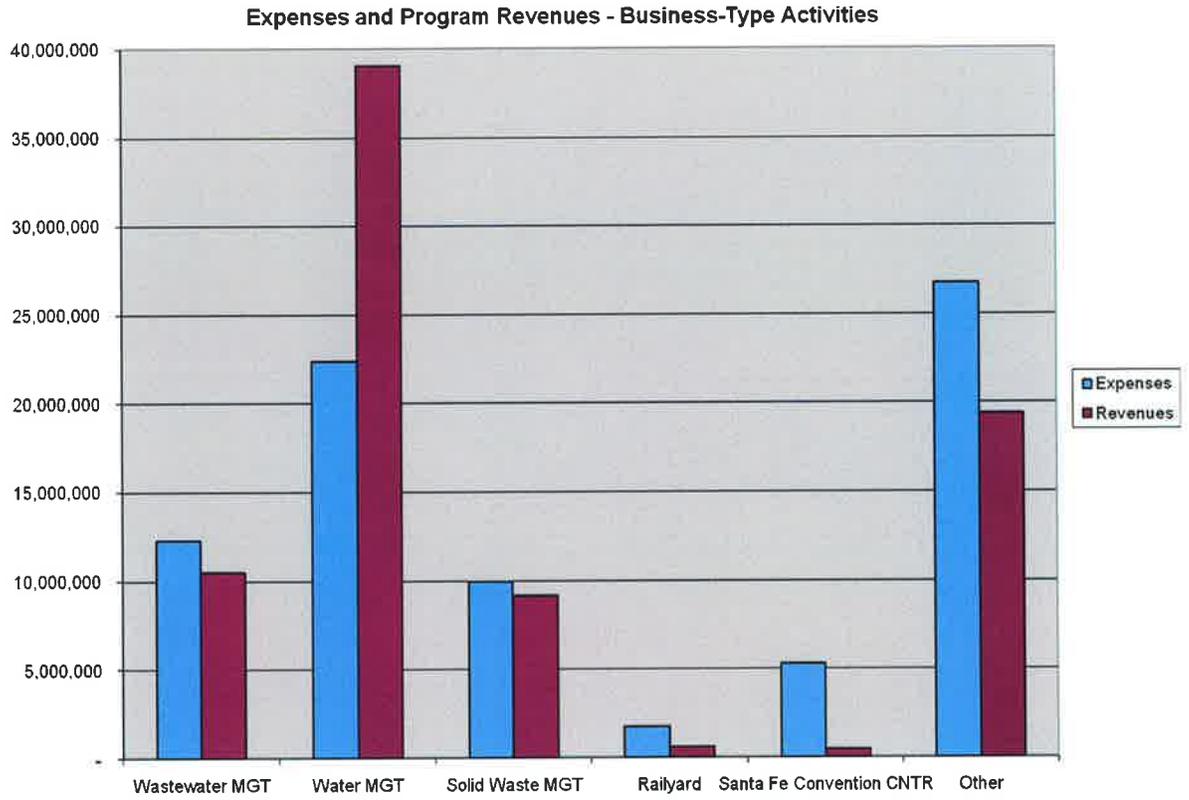


**CITY OF SANTA FE  
Fiscal Year 09/10**

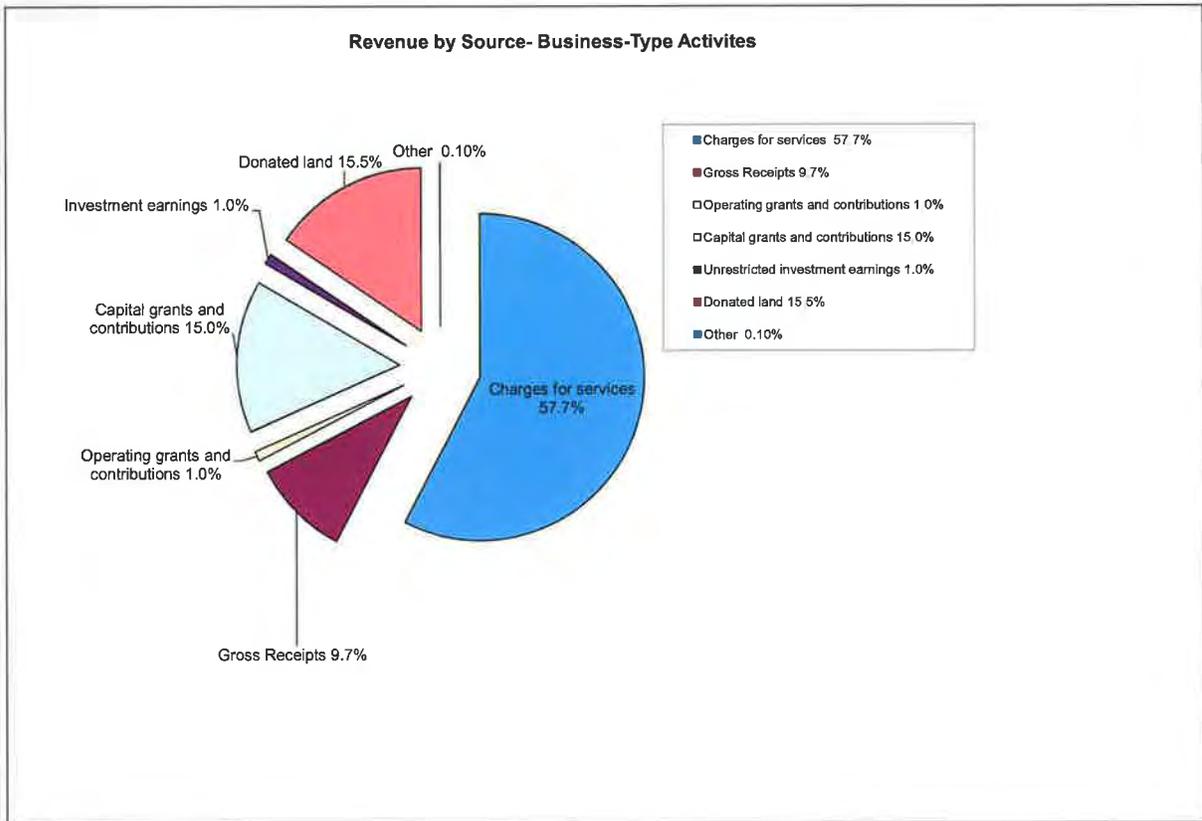


**Business-type activities.** Business-type activities increased net assets by \$44,737,146. The increase, net of transfers from Governmental activities, was \$29,002,450. Transfers from Governmental activities total \$15,734,696. Increase in Business type activities were primarily attributed to utility rate increases in the Water and Wastewater Divisions and excess tracts of land received by the City surrounding the College of Santa Fe’s campus. These tracts of land were accounted for as donated land and recorded at fair market value. The appraised value of excess tracts of land received was \$16,683,838 equal to the Donated Land recorded in the City’s Statement of Activities. In funds where revenues exceed operating expenses, rate revenues are set at a level that in combination with net assets support long term capital investment programs and maintenance of prudent reserves. Much of the accumulated cash in the Water, Wastewater, Convention Center and other business type activities are being drawn down as large capital projects begin or are completed.

**CITY OF SANTA FE**  
**Fiscal Year 09/10**



**CITY OF SANTA FE  
Fiscal Year 09/10**



**Financial Analysis of the City’s Funds**

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

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

As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$74,459,073 a decrease of \$26,762,445 in comparison with the prior year. Most of the ending fund balance is total amount (\$67,145,016) constitutes *reserved and designated fund balance*. Uses of these funds are limited to various degrees by legal, contractual and policy restrictions.

Unlike government-wide financial statements debt is not included in fund financial statements and expenditures for capital assets are not capitalized. Expenditures of fund

balances and revenues in special revenue funds, capital project funds and debt related funds are generally subject to legal restrictions that limit use of those funds to specific purposes. The balance in those funds are considered designated as are amounts set aside by the City Council to provide funding for economic uncertainties and contingencies or liabilities not accrued in the fund balance sheet under the principles of modified accrual accounting.

The General Fund is the chief operating fund for the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$7,314,057 while total fund balance was \$15,671,833. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 10.76 % of total expenditures.

The fund balance of the City's General Fund decreased by \$5,294,998 during the current fiscal year. A key factor in this decrease was the decrease in revenues from \$52,535,205 to \$49,838,955 because of a significant decrease in gross receipts tax revenues.

Debt service fund has a total fund balance of \$6,444,922 all of which is reserved for projects and the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$2,491,386 due to the distribution of funds for park improvements and capital projects from bond proceeds from debt issued in the prior fiscal year.

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

Unrestricted net assets at the end of the year amounted to \$135,921,927 of which 56 % is for water management. In total, net assets for enterprise funds increased by \$44,737,146.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were relatively minor (\$2,913,975 increase in appropriations) and can be briefly summarized as follows:

- \$ 743,134 increase in general government
- \$1,289,470 increase in public safety
- \$ 70,675 increase in public works
- \$ 157,398 increase in community development
- \$ 156,744 increase in culture & recreation
- \$ 47,735 increase in education
- \$ 432,243 increase in transfers in from other programs
- \$ (16,576) increase in transfers out to other programs

The increase in transfers in from other funds covered some of the budgeted increases, however, cash balances funded the difference, which included carryover commitments from the prior fiscal year. With some cost control measures enacted during the fiscal year as it became apparent that revenues (particularly gross receipts tax revenues) would not be

realized, actual expenditures were 5.9% below the final budget in the amount of \$4,279,891. Although the budgeted revenues were decreased by 4.1% during the fiscal year, actual revenues were still another 4.1% lower. The actual revenues for the General Fund were \$2,661,329 below budget.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2010 amounts to \$765,553,839 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, vehicles, infrastructure, and park facilities. The total increase in the City's investment in capital assets for the current fiscal year was 16% (a 1% increase for governmental activities and 15% increase for business-type activities).

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

- Construction in progress in various City facilities totaled \$185,169,795 in both governmental-type and business-type funds. This is a increase from the previous fiscal year due primarily to increases in construction activity related to the Buckman Direct Diversion Project.
- General City projects in progress included street paving, signalization, river channel improvements, park improvements, building renovations, and street traffic calming projects for a total amount of \$17.1 million.

<b>CITY OF SANTA FE's Capital Assets (Net of Depreciation) For Fiscal Years Ending June 30, 2010 and 2009</b>						
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land and Water Rights	\$ 169,562,174	\$ 167,563,753	\$ 41,893,052	\$ 27,268,933	\$ 211,455,226	\$ 194,832,686
Construction in Progress	17,132,182	43,927,407	168,037,613	116,876,241	185,169,795	160,803,648
Art	922,920	922,920	185,971	185,971	1,108,891	1,108,891
Buildings and Systems	43,442,222	33,811,708	154,090,682	157,608,738	197,532,904	191,420,446
Improvements	17,169,481	5,802,006	25,889,488	28,008,104	43,058,969	33,810,110
Sewerlines	-	-	50,662,427	9,050,074	50,662,427	9,050,074
Equipment and Machinery	2,419,264	2,826,125	6,585,215	6,804,588	9,004,479	9,630,713
Furniture and Fixtures	346,026	125,988	41,731	44,948	387,757	170,936
Vehicles	7,142,634	7,407,622	7,616,384	7,752,880	14,759,018	15,160,502
Data Processing and Software	4,406,649	5,103,120	1,183,506	680,676	5,590,155	5,783,796
Traffic Signals	2,873,685	2,486,546	-	-	2,873,685	2,486,546
Streets and Bridges	43,950,533	33,660,189	-	-	43,950,533	33,660,189
<b>Total</b>	<b>\$ 309,367,770</b>	<b>\$ 303,637,384</b>	<b>\$ 456,186,069</b>	<b>\$ 354,281,153</b>	<b>\$ 765,553,839</b>	<b>\$ 657,918,537</b>

Additional information on the City's capital assets can be found in note IV-D on pages 50 and 51 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total revenue bonded debt outstanding of \$281,205,000. Of this amount, \$78,660,000 comprised debt backed by gross receipts tax revenues and lodgers tax, and \$202,545,000 was for various business-type bonds backed by specified operational revenue sources. In addition, the City had \$19,400,000 of outstanding general obligation debt.

#### CITY OF SANTA FE'S OUTSTANDING DEBT

##### Revenue Bonds

##### For Fiscal Years Ending June 30, 2010 and 2009

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenue bonds	\$ 78,660,000	\$ 85,435,000	\$ 202,545,000	\$ 148,620,000	\$ 281,205,000	\$ 234,055,000

In March 2008 the voters approved a \$30,300,000 general obligation bond issue for parks and trails improvements. Due to the number of construction projects underway at the time and the investment climate, the decision was made to split the issue. The first issue of \$20,000,000 closed in June 2008. The second issuance of bonds for \$10,300,000 was issued November 2010.

As of June 30, 2010, the City had eight outstanding issues that were not insured. The Series 1997B Wastewater Variable Rate Bond Rating has been reaffirmed at AA/A-1+ from Standard and Poor's (S&P), and Aa2/VMIG1 by Moody's. The Series 2008 General Obligation Bonds were issued on June 10, 2008, and were rated AA and Aa3 by S&P and Moody's, respectively. The 2008B Gross Receipts Tax Refunding Revenue Bonds, rated AA+ and A1, were issued December 18, 2008, reflected a rating upgrade by S&P. On December 15, 2009, the City issued the Series 2009A&B Water Utility System Bonds in the amount of \$59,970,000 to assist in funding a portion of the Buckman Direct Diversion Water Project. This bond issue was rated AAA by Fitch and AA+ by S&P. After June 30, 2010, the City issued the Series 2010 General Obligation Bonds, the second phase of the 2008 voter approved parks bonds. Issued in the amount of \$10,300,000, they received a rating of AA+ from Fitch and AA from S&P. On December 14, 2010, the City issued the \$15,005,000 Series 2010A GRT Refunding Bonds and the \$10,490,000 Series 2010B Subordinate Lien GRT Refunding Bonds. The 2010A Bonds advance refunded the 2002 GRT Bonds and were rated AA+ by Fitch and AA+ by S&P. The 2010B bonds refunded two New Mexico Finance Authority loans and were rated AA by Fitch and AA by S&P.

The rest of the City's bonds were issued with insurance. Major changes in the bond market resulted in the following effects on these bond insurance firms.

Firm	S&P/Moody's 6/30/2010	S&P/Moody's Current
AMBAC	R/Caa	Withdrawn/Withdrawn
MBIA	BB+/B3	B/B3
FSA/Assured Guaranty Municipal	AAA/Aa3	AA+/Aa3
XL Capital Assurance/ Syncora Guarantee	R/Ca	Withdrawn/Ca

Source: First Southwest Company

With the exception of the City's three issues insured by FSA/Assured Guaranty Municipal, the significant drops in the ratings of the insurance firms have made the City's underlying ratings higher than those of the bond insurers.

Bond Type	S&P/Moody's/Fitch 06/30/2010	S&P/Moody's/Fitch Current
General Obligation	AA/Aa2/NR	AA/Aa2/AA+
Senior Lien Gross Receipts Tax	AA+/Aa3/NR	AA+/Aa3/AA+
Water System Revenues	AA+/Aa2/AAA	AA+/Aa2/AAA
Subordinate Lien Gross Receipts Tax	AA/A1/NR	AA/A1/AA

Source: First Southwest Company

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total assessed valuation. The current debt limitation for the City is approximately \$147 million, which is significantly in excess of the City's total proposed revenue bond capital improvement project debt of \$30,300,000.

Additional information on the City's long-term debt can be found in note IV-H on pages 57 through 66 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the Santa Fe MSA continues to compare favorably with rest of the state although it increased from 6.2 to 7.1% in 2010. This compares favorably to the state's current unemployment rate of 8.4% and the national average rate of 9.6%.
- During the latter part of 2009 and into 2010, significant declines in fair value occurred in worldwide securities markets and various real estate markets. As the general economy remains in recession. The City has seen significant impact on gross receipts tax, lodgers' tax and certain other revenue categories during periods subsequent to June 30, 2010. City management has responded with various actions including budget, project and policy adjustments and continues to review future plans and budgets. Current economic conditions are volatile, difficult to predict and subject to ongoing changes which may affect the current financial condition and results of operations in the future. All of these factors were considered in preparing the City's budget for fiscal year 10/11.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Complete financial statements for the component unit may be obtained as the Santa Fe Civic Housing Authority, 64 Alta Vista, Santa Fe, NM 87505. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, P.O. Box 909, City of Santa Fe, NM 87504.

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# **Basic Financial Statements**

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**CITY OF SANTA FE, NEW MEXICO**  
**Statement of Net Assets**  
**June 30, 2010**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing Authority
<b>ASSETS</b>				
Cash, investments and cash equivalents	\$ 56,548,861	\$ 118,362,196	\$ 174,911,057	\$ 6,454,010
Receivables (net of allowance for uncollectables)	3,674,571	10,507,806	14,182,377	1,232,140
Internal balances	14,022,831	(14,022,831)	-	-
Inventories	485,708	-	485,708	13,456
Prepaid expenses	60,000	9,926,089	9,986,089	99,805
Other current assets	9,429	-	9,429	82,269
Deferred charges	1,437,702	3,115,174	4,552,876	-
Restricted assets:				
Temporarily restricted:				
Cash, investments and cash equivalents	10,693,806	6,961,305	17,655,111	510,329
Interest receivable	263,466	465,734	729,200	-
Intergovernmental receivable	21,288,282	6,243,172	27,531,454	628,798
Capital assets (net of accumulated depreciation):				
Land, land rights, and water rights	169,562,174	41,893,052	211,455,226	1,142,589
Buildings and structures	54,376,522	183,888,946	238,265,468	31,625,927
Furniture and fixtures	866,014	775,143	1,641,157	882,914
Improvements	36,149,085	67,178,233	103,327,318	-
Utility Systems	-	102,198,821	102,198,821	-
Equipment and machinery	15,776,439	20,132,570	35,909,009	198,875
Vehicles	20,274,332	21,674,151	41,948,483	379,090
Art	922,920	185,971	1,108,891	-
Data processing equipment/software	11,675,769	3,375,153	15,050,922	-
Traffic signals	23,222,047	-	23,222,047	-
Streets and bridges	193,564,150	-	193,564,150	-
Construction in progress	17,132,182	168,037,613	185,169,795	3,765,612
Accumulated depreciation	(234,153,864)	(153,153,584)	(387,307,448)	(20,598,383)
Total assets	<u>417,852,426</u>	<u>597,744,714</u>	<u>1,015,597,140</u>	<u>26,417,431</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	14,909,865	8,618,437	23,528,302	312,405
Accrued interest payable	727,988	982,527	1,710,515	-
Deferred revenue				
Unearned revenue	3,293,800	-	3,293,800	507,963
Liabilities from restricted cash	2,854,727	1,391,213	4,245,940	211,835
Longterm liabilities:				
Due within one year	9,731,237	9,769,316	19,500,553	962,389
Due in more than one year	117,963,794	259,862,408	377,826,202	3,788,048
Total liabilities	<u>149,481,411</u>	<u>280,623,901</u>	<u>430,105,312</u>	<u>5,782,640</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	188,345,882	174,237,581	362,583,463	12,827,540
Restricted for:				
Debt service and nonexpendable endowment	4,159,990	6,961,305	11,121,295	-
State mandated cash balance	6,533,816	-	6,533,816	-
Unrestricted	69,331,327	135,921,927	205,253,254	7,807,251
Total net assets	<u>\$ 268,371,015</u>	<u>\$ 317,120,813</u>	<u>\$ 585,491,828</u>	<u>\$ 20,634,791</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANTA FE, NEW MEXICO**  
**Statement of Activities**  
**For the Year Ended June 30, 2010**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Component Unit Business-type Activities
<b>Governmental activities:</b>								
General government	\$ 27,660,875	\$ 478,959	\$ 660,242	\$ 406,830	\$ (26,114,844)	\$ -	\$ (26,114,844)	\$ -
Public safety	38,313,141	4,192,344	1,268,866	340,853	(32,511,078)	-	(32,511,078)	-
Public works	15,869,603	2,379,542	286,133	3,732,453	(9,471,475)	-	(9,471,475)	-
Community development	15,145,394	373,009	5,989,952	386,267	(8,396,166)	-	(8,396,166)	-
Culture and recreation	13,580,296	685,743	182,907	2,193,295	(10,518,351)	-	(10,518,351)	-
Education	2,988,945	-	-	-	(2,988,945)	-	(2,988,945)	-
Interest on long-term debt	5,485,953	-	-	-	(5,485,953)	-	(5,485,953)	-
Total governmental activities	119,044,207	8,109,597	8,388,100	7,059,698	(95,486,812)	-	(95,486,812)	-
<b>Business-type activities:</b>								
Wastewater Management	12,312,850	10,299,371	-	180,749	-	(1,832,730)	(1,832,730)	-
Water Management	22,369,231	30,236,761	-	8,812,197	-	16,679,727	16,679,727	-
Railyard Center	1,741,983	561,147	-	50,154	-	(1,130,682)	(1,130,682)	-
Santa Fe Convention Center	5,280,908	408,746	-	55,532	-	(4,816,630)	(4,816,630)	-
Solid Waste Management	9,942,609	9,178,089	-	-	-	(764,520)	(764,520)	-
College of Santa Fe	2,436,088	2,092,884	-	-	-	(343,204)	(343,204)	-
Municipal Recreation Complex	1,803,235	1,100,296	-	464,581	-	(238,358)	(238,358)	-
Parking Fund	5,271,354	4,498,969	-	-	-	(772,385)	(772,385)	-
Transit and Airport Systems	12,366,693	1,918,748	1,021,037	6,620,886	-	(2,806,022)	(2,806,022)	-
Genoveva Chavez Community Center	4,886,084	1,637,933	-	17,029	-	(3,231,122)	(3,231,122)	-
Total business-type activities	78,411,035	61,932,944	1,021,037	16,201,128	-	744,074	744,074	-
Total primary government	\$ 197,455,242	\$ 70,042,541	\$ 9,409,137	\$ 23,260,826	(95,486,812)	744,074	(94,742,738)	-
<b>Component Unit:</b>								
Housing Authority	\$ 11,563,625	\$ 2,252,801	\$ 13,226,840	\$ -	-	-	-	3,916,016
Total component unit	\$ 11,563,625	\$ 2,252,801	\$ 13,226,840	\$ -	-	-	-	3,916,016
<b>General Revenues:</b>								
Property taxes					6,658,311	-	6,658,311	-
Sales taxes					76,345,768	10,451,588	86,797,356	-
Lodger taxes					7,238,114	-	7,238,114	-
Franchise taxes					2,589,218	-	2,589,218	-
Motor fuel taxes					1,739,763	-	1,739,763	-
Cigarette taxes					96,502	-	96,502	-
Unrestricted investment earnings					664,411	1,110,329	1,774,740	59,314
Miscellaneous revenues					1,538,546	-	1,538,546	385,129
Donated Land and Building					-	16,683,838	16,683,838	-
Gain (Loss) on sale of capital assets					215,451	12,621	228,072	(1,926,499)
Internal Transfers/Equity Transfers-Espanola Housing Net Assets					(15,734,696)	15,734,696	-	6,457,666
Total general revenues and transfers					81,351,388	43,993,072	125,344,460	4,975,610
Change in net assets					(14,135,424)	44,737,146	30,601,722	8,891,626
Net assets, beginning					282,506,439	272,383,667	554,890,106	1,743,165
Net assets, ending					\$ 268,371,015	\$ 317,120,813	\$ 585,491,828	\$ 20,634,791

The notes to the financial statements are an integral part of this statement.

**CITY OF SANTA FE, NEW MEXICO**

**Balance Sheet  
Governmental Funds  
June 30, 2010**

	Major funds				Other Non Major Funds	Total Governmental Funds
	General Fund	Debt Service	1/2 % Gross Receipts Tax			
<b>Assets</b>						
Cash and investments	\$ 2,967,169	\$ 2,523,284	\$ 1,785,224	\$ 31,476,532	\$ 38,752,209	
Restricted for debt service payments	-	3,909,990	-	-	3,909,990	
Restricted for state mandated cash balance	6,533,816	-	-	-	6,533,816	
Restricted for endowment	-	-	-	250,000	250,000	
Receivables:						
State-shared taxes	6,274,955	-	2,472,448	2,328,130	11,075,533	
Local taxes	3,187,451	-	-	-	3,187,451	
Property taxes	34,047	20,692	-	-	54,739	
Interest	38,200	56,084	-	100,229	194,513	
Ambulance (net of allowances)	865,605	-	-	-	865,605	
Grants-restricted	782,040	-	-	6,188,519	6,970,559	
Other receivables (net of allowance)	73,410	-	-	2,735,556	2,808,966	
Other assets	-	-	-	9,429	9,429	
Due from other funds	1,148,121	-	13,904,545	-	15,052,666	
Supplies inventory	485,708	-	-	-	485,708	
<b>Total Assets</b>	<b>\$ 22,390,522</b>	<b>\$ 6,510,050</b>	<b>\$ 18,162,217</b>	<b>\$ 43,088,395</b>	<b>\$ 90,151,184</b>	
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,144,107	\$ 15	\$ 8,917	\$ 2,946,389	\$ 4,099,428	
Compensated absences payable	495,188	-	45,253	-	540,441	
Accrued wages payable	2,725,359	-	103,042	796,377	3,624,778	
Due to other funds	-	-	-	1,029,835	1,029,835	
Deferred revenue:						
Unearned revenue	93,604	25,113	-	3,175,083	3,293,800	
Other current liabilities	130,882	40,000	-	78,220	249,102	
Liabilities payable from restricted assets	2,129,549	-	-	725,178	2,854,727	
<b>Total liabilities</b>	<b>6,718,689</b>	<b>65,128</b>	<b>157,212</b>	<b>8,751,082</b>	<b>15,692,111</b>	
<b>Fund balances:</b>						
<b>Fund balance:</b>						
<b>Reserved, reported in:</b>						
Endowment	-	-	-	250,000	250,000	
Debt service	-	5,686,887	-	-	5,686,887	
Capital projects	-	758,035	18,005,005	17,529,307	36,292,347	
Special revenue purposes	-	-	-	16,558,006	16,558,006	
State mandated cash balance	6,533,816	-	-	-	6,533,816	
Inventory	485,708	-	-	-	485,708	
<b>Designated for:</b>						
General fund City's cash balance	1,338,252	-	-	-	1,338,252	
<b>Unreserved, undesignated reported in:</b>						
General fund-undesignated	7,314,057	-	-	-	7,314,057	
<b>Total Fund Balances</b>	<b>15,671,833</b>	<b>6,444,922</b>	<b>18,005,005</b>	<b>34,337,313</b>	<b>74,459,073</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 22,390,522</b>	<b>\$ 6,510,050</b>	<b>\$ 18,162,217</b>	<b>\$ 43,088,395</b>		

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	309,334,937
Other long-term assets are not available to pay for current-period expenditures and, therefore are not reported in the funds.	1,437,702
Internal service funds are used by management to charge the costs of insurances to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	10,935,963
Accrued interest payable	(727,988)
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.	(121,021,889)
Other long-term liabilities-compensated balances	(6,046,783)
<b>Net assets of governmental activities</b>	<b>\$ 268,371,015</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANTA FE, NEW MEXICO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2010**

	Major Funds			Other Non Major Funds	Total Governmental Funds
	General Fund	Debt Service	1/2 % Gross Receipts Tax		
<b>Revenues:</b>					
Taxes					
Gross receipts	\$ 49,838,955	\$ -	\$ 14,145,489	\$ 12,361,324	76,345,768
Cigarette	64,255	-	-	32,247	96,502
Motor	371,686	-	-	1,368,077	1,739,763
Lodgers	-	-	-	7,238,114	7,238,114
Property	2,656,882	1,701,441	-	2,299,988	6,658,311
Business	231,936	-	-	-	231,936
Franchise	2,337,757	-	-	19,525	2,357,282
Licenses and permits	1,571,947	-	-	-	1,571,947
Intergovernmental revenues	246,206	-	-	15,201,592	15,447,798
Fees and charges for services	4,119,495	-	-	2,418,155	6,537,650
Sale of capital assets	-	-	-	215,451	215,451
Fines and forfeitures	526,845	-	-	-	526,845
Rents, royalties and concessions	39,318	-	-	86,725	126,043
Investment income	84,300	156,046	-	267,398	507,744
Other revenues	182,083	159,961	340	543,275	885,659
<b>Total revenues</b>	<b>62,271,665</b>	<b>2,017,448</b>	<b>14,145,829</b>	<b>42,051,871</b>	<b>120,486,813</b>
<b>Expenditures:</b>					
Current:					
General government	16,790,031	-	2,473,179	6,544,610	25,807,820
Public safety	31,203,998	-	-	5,652,998	36,856,996
Public works	3,902,894	-	-	2,630,300	6,533,194
Community development	5,301,519	-	-	9,465,474	14,766,993
Culture and recreation	7,481,811	-	-	4,209,009	11,690,820
Education	2,983,168	-	-	-	2,983,168
<b>Total current expenditures</b>	<b>67,663,421</b>	<b>-</b>	<b>2,473,179</b>	<b>28,502,391</b>	<b>98,638,991</b>
Capital outlay:					
General government	177,326	-	250,872	3,020,645	3,448,843
Public safety	56,761	-	-	1,850,016	1,906,777
Public works	1,090	-	-	7,877,946	7,879,036
Community development	2,594	-	-	850,388	852,982
Culture and recreation	49,516	-	-	6,879,364	6,928,880
Education	5,777	-	-	-	5,777
<b>Total capital outlay expenditures</b>	<b>293,064</b>	<b>-</b>	<b>250,872</b>	<b>20,478,359</b>	<b>21,022,295</b>
Debt service:					
Principal payments	-	7,673,026	-	-	7,673,026
Interest and fiscal agent fees	-	5,784,564	-	-	5,784,564
<b>Total expenditures</b>	<b>67,956,485</b>	<b>13,457,590</b>	<b>2,724,051</b>	<b>48,980,750</b>	<b>133,118,876</b>
Excess (deficiency) of revenues over expenditures	(5,684,820)	(11,440,142)	11,421,778	(6,928,879)	(12,632,063)
<b>Other financing sources (uses):</b>					
Transfers in	6,874,123	12,229,655	19,474	13,104,771	32,228,023
Transfers out	(6,484,301)	(3,288,011)	(16,688,353)	(19,904,852)	(46,365,517)
HUD loan payments (flow through)	-	7,113	-	-	7,113
<b>Total other financing sources (uses)</b>	<b>389,822</b>	<b>8,948,757</b>	<b>(16,668,879)</b>	<b>(6,800,081)</b>	<b>(14,130,381)</b>
<b>Net change in fund balances</b>	<b>(5,294,998)</b>	<b>(2,491,385)</b>	<b>(5,247,101)</b>	<b>(13,728,960)</b>	<b>(26,762,444)</b>
Fund balances, beginning of year	20,966,831	8,936,307	23,252,106	48,066,273	101,221,517
<b>Fund balances, end of year</b>	<b>\$ 15,671,833</b>	<b>\$ 6,444,922</b>	<b>\$ 18,005,005</b>	<b>\$ 34,337,313</b>	<b>\$ 74,459,073</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANTA FE, NEW MEXICO**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2010**

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

Net change in fund balances--total governmental funds	\$ (26,762,444)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	5,231,009
The net effect of various miscellaneous transactions involving capital assets decrease in net assets:	(47,268)
The issuance of long-term debt (e.g., bonds, leases) provided current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	7,934,084
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	823,903
Internal service funds are used by management to charge the costs of insurance to individual funds.	125,827
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(1,440,535)</u>
Change in net assets of governmental activities	<u><u>\$ (14,135,424)</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANTA FE, NEW MEXICO**  
**General Fund**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes:				
State-shared taxes:				
Gross receipts	\$ 37,203,840	\$ 34,706,659	\$ 35,693,466	\$ 986,807
Cigarette	71,000	71,000	64,255	(6,745)
Automobile	408,000	408,000	371,686	(36,314)
Total state-shared taxes	37,682,840	35,185,659	36,129,407	943,748
Local taxes:				
Gross receipts	14,789,213	13,823,293	14,145,489	322,196
Property	2,517,007	2,517,077	2,656,882	139,805
Business	218,000	218,000	231,936	13,936
Utility franchise	2,650,000	2,650,000	2,337,757	(312,243)
Total local taxes	20,174,220	19,208,370	19,372,064	163,694
Other Revenues:				
Licenses and permits	2,218,939	2,218,939	1,571,947	(646,992)
Intergovernmental revenue	90,000	209,170	246,206	37,036
Fees and charges for services	6,574,167	7,042,167	4,119,495	(2,922,672)
Fines and forfeitures	568,834	615,834	526,845	(88,989)
Royalties, rents and concessions	31,300	31,300	39,318	8,018
Investment income	177,873	84,273	84,300	27
Other revenues	213,000	337,192	182,083	(155,109)
Total Other Revenue	9,874,113	10,538,875	6,770,194	(3,768,681)
Total revenues	67,731,173	64,932,904	62,271,665	(2,661,239)
<b>Expenditures:</b>				
General government:				
Current:				
General government	2,975,478	2,944,701	1,939,836	1,004,865
Municipal court	1,333,159	1,339,583	1,329,323	10,260
City clerk	1,260,940	1,254,526	1,053,117	201,409
Information technology and telecommunication	3,445,377	3,859,925	3,255,371	604,554
Personnel	1,174,710	1,219,525	914,903	304,622
Finance	3,249,106	3,443,316	4,555,794	(1,112,478)
Planning	2,041,708	1,992,441	1,770,598	221,843
Facilities maintenance	2,319,637	2,318,710	1,634,125	684,585
Fleet maintenance	588,480	588,480	336,964	251,516
Total current	18,388,595	18,961,207	16,790,031	2,171,176
Capital outlay:				
General government	33,898	25,534	37,442	(11,908)
Municipal Court	-	48,927	60,953	(12,026)
City clerk	8,000	54,126	16,649	37,477
Information technology and telecommunication	-	3,706	48,177	(44,471)
Personnel	-	250	250	-
Finance	2,200	4,600	2,029	2,571
Planning	-	74,234	7,549	66,685
Facilities maintenance	2,700	5,943	4,277	1,666
Fleet Maintenance	-	-	-	-
Total capital outlay	46,798	217,320	177,326	39,994
Total general government	18,435,393	19,178,527	16,967,357	2,211,170

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF SANTA FE, NEW MEXICO  
General Fund  
Statement of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety:				
Current:				
Police	18,473,329	19,176,353	18,530,544	645,809
Fire	12,934,420	13,560,931	12,673,454	887,477
Total current	31,407,749	32,737,284	31,203,998	1,533,286
Capital outlay:				
Police	10,000	14,472	54,287	(39,815)
Fire	30,065	30,065	2,474	27,591
Total capital outlay	40,065	44,537	56,761	(12,224)
Total public safety	31,447,814	32,781,821	31,260,759	1,521,062
Public works:				
Current:				
Administration	428,061	428,061	258,109	169,952
Highways, streets and roads	906,080	906,172	907,649	(1,477)
Traffic engineering	2,628,818	2,698,311	2,737,136	(38,825)
Total current	3,962,959	4,032,544	3,902,894	129,650
Capital outlay:				
Highways, streets and roads	-	-	-	-
Traffic Engineering	-	1,090	1,090	-
Total capital outlay	-	1,090	1,090	-
Total public works	3,962,959	4,033,634	3,903,984	129,650
Community development:				
Current:				
Human needs	1,548,890	1,549,143	1,531,721	17,422
Senior citizens	18,638	18,638	-	18,638
Community services	1,075,284	1,183,275	1,123,102	60,173
Inspection	1,477,935	1,512,012	1,435,849	76,163
Zoning	1,187,202	1,193,502	1,210,847	(17,345)
Total current	5,307,949	5,456,570	5,301,519	155,051
Capital outlay:				
Human needs	-	1,700	1,194	506
Inspection	7,800	5,800	1,400	4,400
Zoning	2,000	11,077	-	11,077
Total capital outlay	9,800	18,577	2,594	15,983
Total community development	5,317,749	5,475,147	5,304,113	171,034
Culture and recreation:				
Current:				
Parks/grounds maintenance	5,574,640	5,634,852	5,263,307	371,545
Recreation	2,233,189	2,295,017	2,218,504	76,513
Total current	7,807,829	7,929,869	7,481,811	448,058
Capital outlay:				
Parks/grounds maintenance	14,300	49,004	46,316	2,688
Recreation	5,557	5,557	3,200	2,357
Total capital outlay	19,857	54,561	49,516	5,045
Total culture and recreation	7,827,686	7,984,430	7,531,327	453,103

The notes to the financial statements are an integral part of this statement.

(continued)

CITY OF SANTA FE, NEW MEXICO  
General Fund  
Statement of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Education:				
Current:				
Libraries	2,728,762	2,776,647	2,983,168	(206,521)
Total current	2,728,762	2,776,647	2,983,168	(206,521)
Capital outlay:				
Libraries	6,320	6,170	5,777	393
Total capital outlay	6,320	6,170	5,777	393
Total education	2,735,082	2,782,817	2,988,945	(206,128)
 Total expenditures	 69,726,683	 72,236,376	 67,956,485	 4,279,891
 Excess (deficiency) of revenues over expenditures	 (1,995,510)	 (7,303,472)	 (5,684,820)	 1,618,652
 Other financing sources (uses):				
Transfers in	6,422,148	6,854,391	6,874,123	19,732
Transfers out	(6,467,725)	(6,484,301)	(6,484,301)	-
 Total other financing sources (uses)	(45,577)	370,090	389,822	19,732
 Net change in fund balance	 (2,041,087)	 (6,933,382)	 (5,294,998)	 1,638,384
Fund balance, beginning of year	26,952,671	19,397,218	20,966,831	(1,569,613)
<b>Fund balance, end of year</b>	<b>\$ 24,911,584</b>	<b>\$ 12,463,836</b>	<b>\$ 15,671,833</b>	<b>\$ 3,207,997</b>

The notes to the financial statements are an integral part of this statement.

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CITY OF SANTA FE, NEW MEXICO  
Statement of Net Assets  
Enterprise Funds  
June 30, 2010

	Business-type Activities - Enterprise Funds			
	Waste Water Management	Water Management	Solid Waste Management	Railyard Property
<b>Assets</b>				
<b>Current assets:</b>				
Cash, investments and cash equivalents	\$ 16,959,600	\$ 73,470,068	\$ 8,529,897	\$ 866,737
Restricted cash, cash equivalents and investments:				
Restricted for debt service payments	214,415	5,999,788	108,736	481,972
Grants receivable	165,851	1,587,842	-	10,001
Receivable (net of allowances)				
State-shared taxes	305,412	1,217,772	305,373	-
Accounts	2,248,451	6,276,349	1,712,690	-
Interest receivable	60,374	294,446	32,309	3,155
Prepaid expenses	-	9,926,089	-	-
<b>Total current assets</b>	<b>19,954,103</b>	<b>98,772,354</b>	<b>10,689,005</b>	<b>1,361,865</b>
<b>Noncurrent assets:</b>				
Deferred charges (net of amortization)	380,338	1,677,307	273,352	-
<b>Capital assets:</b>				
Land and land rights	25,498	2,472,660	-	20,145,837
Water rights	-	341,279	-	-
Buildings and structures	28,835,165	11,071,845	361,316	4,748,214
Sewerlines and utility systems	23,396,511	78,772,490	-	-
Improvements	19,313,732	8,154,883	533,179	10,322,283
Furniture and fixtures	17,142	585,001	9,640	-
Equipment and machinery	2,421,134	12,688,900	682,995	-
Vehicles	2,418,367	1,808,657	7,890,617	-
Intangible plant	-	57,625	-	-
Data processing equipment /software	230,282	1,673,195	56,905	-
Art	-	-	-	-
Construction in progress	12,127,176	125,119,372	86,431	17,834,812
Less accumulated depreciation	(49,054,744)	(52,446,763)	(6,080,317)	(1,883,556)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>39,730,263</b>	<b>190,299,144</b>	<b>3,540,766</b>	<b>51,167,590</b>
<b>Total noncurrent assets</b>	<b>40,110,601</b>	<b>191,976,451</b>	<b>3,814,118</b>	<b>51,167,590</b>
<b>Total assets</b>	<b>60,064,704</b>	<b>290,748,805</b>	<b>14,503,123</b>	<b>52,529,455</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable	365,074	1,742,205	109,863	93,825
Miscellaneous payable	36,742	113,273	38,552	-
Compensated absences payable	84,823	239,155	123,855	-
Accrued wages payable	234,122	376,952	213,554	2,322
Benefits payable	-	-	-	-
Claims and judgement payable	-	-	-	-
Bonds payable (net of unamortized discounts)	1,399,927	2,992,975	738,110	-
Notes payable	-	749,583	-	647,043
Accrued interest payable	100,665	483,905	48,736	60,374
Customer deposits payable	116,679	916,510	85,030	-
Other payable	-	-	-	-
Intangible deferred credit	-	-	-	-
Due to other funds	-	-	-	-
<b>Total current liabilities</b>	<b>2,338,032</b>	<b>7,614,558</b>	<b>1,357,700</b>	<b>803,564</b>
<b>Noncurrent liabilities:</b>				
Bonds and Notes payable (net of unamortized discounts)	23,484,340	120,380,886	11,950,805	12,542,934
Compensated absences payable	254,468	346,360	371,564	-
Due to other funds	-	13,624,545	-	-
<b>Total noncurrent liabilities</b>	<b>23,738,808</b>	<b>134,351,791</b>	<b>12,322,369</b>	<b>12,542,934</b>
<b>Total liabilities</b>	<b>26,076,840</b>	<b>141,966,349</b>	<b>13,680,069</b>	<b>13,346,498</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	120,226	66,175,700	(9,148,149)	37,977,613
Restricted for debt service	214,415	5,999,788	108,736	481,972
Unrestricted	33,653,223	76,606,968	9,862,467	723,372
<b>Total net assets</b>	<b>\$ 33,987,864</b>	<b>\$ 148,782,456</b>	<b>\$ 823,054</b>	<b>\$ 39,182,957</b>

The notes to the financial statements are an integral part of this statement

Santa Fe Convention Center	College of Santa Fe	All Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds	
\$ 7,555,520	\$ 7,946,652	\$ 3,033,722	\$ 118,362,196	\$ 17,796,652	Current assets:
48,848	10	107,536	6,961,305	-	Cash, investments and cash equivalents
-	-	2,650,921	4,414,615	-	Restricted cash, cash equivalents and investment Restricted for debt service payments
-	-	-	1,828,557	-	Grants receivable
-	-	-	10,507,806	-	Receivable (net of allowances)
31,738	29,114	14,598	465,734	68,953	State-shared taxes
-	-	-	9,926,089	60,000	Accounts
7,636,106	7,975,776	6,077,093	152,466,302	17,925,605	Interest receivable
					Prepaid expenses
					Total current assets
499,049	-	285,128	3,115,174	-	Noncurrent assets:
-	14,456,000	4,451,778	41,551,773	-	Deferred charges (net of amortization)
-	-	-	341,279	-	Capital assets:
62,756,363	21,924,038	54,134,380	183,831,321	-	Land and land rights
-	-	29,820	102,198,821	-	Water rights
-	-	28,854,156	67,178,233	-	Buildings and structures
91,038	-	72,322	775,143	34,818	Sewerlines and utility systems
279,085	-	4,060,456	20,132,570	12,910	Improvements
29,815	-	9,526,695	21,674,151	35,829	Furniture and fixtures
-	-	-	57,625	-	Equipment and machinery
120,019	-	1,294,752	3,375,153	5,307	Vehicles
5,000	-	180,971	185,971	-	Intangible plant
151,271	6,095,860	6,622,691	168,037,613	-	Data processing equipment/software
(2,656,938)	(727,998)	(40,303,268)	(153,153,584)	(56,031)	Art
60,775,653	41,747,900	68,924,753	456,186,069	32,833	Construction in progress
					Less accumulated depreciation
61,274,702	41,747,900	69,209,881	459,301,243	32,833	Total capital assets (net of accumulated depreciatio
68,910,808	49,723,676	75,286,974	611,767,545	17,958,438	Total noncurrent assets
					<b>Total assets</b>
					Liabilities
174,027	3,368,382	1,044,348	6,897,724	467,993	Current liabilities:
-	-	18,573	207,140	-	Accounts payable
15,364	-	231,830	695,027	85,918	Miscellaneous payable
39,610	-	647,013	1,513,573	32,961	Compensated absences payable
-	-	-	-	-	Accrued wages payable
-	-	-	-	-	Benefits payable
-	-	-	-	6,435,382	Claims and judgement payable
1,124,365	615,000	807,286	5,938,298	-	Bonds payable (net of unamortized discounts)
113,314	133,831	41,702	3,135,991	-	Notes payable
248,320	-	24,674	982,527	-	Accrued interest payable
-	-	-	1,391,213	-	Customer deposits payable
-	-	-	-	221	Other payable
-	-	-	-	-	Intangible deferred credit
-	-	398,286	398,286	-	Due to other funds
1,715,000	4,117,213	3,213,712	21,159,779	7,022,475	Total current liabilities
49,709,753	29,000,000	11,079,711	258,148,429	-	Noncurrent liabilities:
46,092	-	695,495	1,713,979	-	Bonds payable (net of unamortized discounts)
-	-	-	13,624,545	-	Compensated absences payable
49,755,845	29,000,000	11,775,206	273,486,953	-	Due to other funds
51,470,845	33,117,213	14,988,918	294,646,732	7,022,475	Total noncurrent liabilities
					Total liabilities
9,941,535	12,132,900	57,037,756	174,237,581	32,833	Net Assets
48,848	10	107,536	6,961,305	-	Invested in capital assets, net of related debt
7,449,580	4,473,553	3,152,764	135,921,927	10,903,130	Restricted for debt service
\$ 17,439,963	\$ 16,606,463	\$ 60,298,056	\$ 317,120,813	\$ 10,935,963	Unrestricted
					<b>Total net assets</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Enterprise Funds**  
**For the Year Ended June 30, 2010**

	<b>Business-type Activities- Enterprise Funds</b>			
	<b>Waste Water Management</b>	<b>Water Management</b>	<b>Solid Waste Management</b>	<b>Railyard Property</b>
<b>Operating revenues:</b>				
User fees	\$ 10,292,213	\$ 30,023,803	\$ 9,111,508	\$ -
Facilities rentals	-	-	-	561,147
Other revenue	7,158	212,958	66,581	-
Total operating revenues	10,299,371	30,236,761	9,178,089	561,147
<b>Operating expenses:</b>				
Salaries, wages and benefits	4,646,307	8,082,221	4,212,503	-
Contractual services and utilities	970,422	4,248,559	1,986,883	59,538
Repairs and maintenance	731,892	794,214	399,125	-
Supplies	583,739	967,731	580,249	-
Capital outlay-inventory exempt items	21,754	63,276	250,708	-
Depreciation	3,663,342	5,460,438	875,807	1,127,192
Amortization expense	34,639	93,747	21,163	-
Insurance	319,675	338,686	157,004	-
Other	941,581	1,783,449	865,561	5,003
Total operating expenses	11,913,351	21,832,321	9,349,003	1,191,733
Operating income (loss)	(1,613,980)	8,404,440	(170,914)	(630,586)
<b>Non-operating revenues (expenses):</b>				
Investment income	138,777	674,811	76,895	8,902
Intergovernmental				
State-shared taxes	1,747,319	6,957,220	1,747,049	-
Grants	180,749	8,812,197	-	50,154
Gain (loss) on sale of capital assets	(3,902)	4,403	11,714	-
Donated Land and Building	-	-	-	-
Interest expense	(434,426)	(674,811)	(611,716)	(550,250)
Prem(Discount) debt service expense	34,927	137,901	18,110	-
Other non-operating expenses	-	-	-	-
Total non-operating revenues (expenses)	1,663,444	15,911,721	1,242,052	(491,194)
Income(loss) before transfers	49,464	24,316,161	1,071,138	(1,121,780)
Transfers in	63,654	85,209	53,366	1,181,126
Transfers out	(33,333)	(259,901)	-	(352,430)
Change in net assets	79,785	24,141,469	1,124,504	(293,084)
Total net assets, beginning of year	33,908,079	124,640,987	(301,450)	39,476,041
<b>Total net assets-end of year</b>	<b>\$ 33,987,864</b>	<b>\$ 148,782,456</b>	<b>\$ 823,054</b>	<b>\$ 39,182,957</b>

The notes to the financial statements are an integral part of this statement.

Santa Fe Convention Center	College of Santa Fe	All Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds	
\$ 397,686	\$ -	\$ 7,678,297	\$ 57,503,507	\$ -	User fees
-	-	-	561,147	-	Facilities rentals
11,060	2,092,884	1,477,649	3,868,290	20,796,196	Other revenue
408,746	2,092,884	9,155,946	61,932,944	20,796,196	Total operating revenues
773,829	-	12,894,078	30,608,938	817,295	Salaries, wages and benefits
498,045	307,057	2,897,970	10,968,474	924,276	Contractual services and utilities
32,156	1,175,403	778,134	3,910,924	1,119	Repairs and maintenance
88,165	232	869,021	3,089,137	65,309	Supplies
64,888	-	473,221	873,847	1,832	Capital outlay-inventory exempt items
1,297,639	727,998	2,987,493	16,139,909	13,355	Depreciation expense
19,961	-	19,670	189,180	-	Amortization expense
81,372	9,259	618,070	1,524,066	18,825,831	Insurance
170,677	100,310	2,291,862	6,158,443	21,352	Other
3,026,732	2,320,259	23,829,519	73,462,918	20,670,369	Total operating expenses
(2,617,986)	(227,375)	(14,673,573)	(11,529,974)	125,827	Operating income (loss)
72,196	115,829	22,919	1,110,329	156,667	Investment income
-	-	-	10,451,588	-	Intergovernmental
55,532	-	8,123,533	17,222,165	-	State-shared taxes
-	-	406	12,621	-	Grants
-	16,683,838	-	16,683,838	-	Gain (loss) on sale of capital assets
(2,343,541)	(115,829)	(526,553)	(5,257,126)	-	Donated Land and Building
89,365	-	17,286	297,589	-	Interest expense
-	-	11,420	11,420	-	Prem(Discount) debt service expense
(2,126,448)	16,683,838	7,649,011	40,532,424	156,667	Other non-operating expenses
(4,744,434)	16,456,463	(7,024,562)	29,002,450	282,494	Total non-operating revenues (expenses)
4,333,354	150,000	10,545,823	16,412,532	626	Income(loss) before transfers
(26,741)	-	(5,431)	(677,836)	(1,597,828)	Transfers in
(437,821)	16,606,463	3,515,830	44,737,146	(1,314,708)	Transfers out
17,877,784	-	56,782,226	272,383,667	12,250,671	Change in net assets
\$ 17,439,963	\$ 16,606,463	\$ 60,298,056	\$ 317,120,813	\$ 10,935,963	Total net assets, beginning of year
					Total net assets, end of year

**CITY OF SANTA FE, NEW MEXICO**  
**Statement of Cash Flows**  
**Enterprise Funds**  
**For the Year Ended June 30, 2010**

**Business-type Activities-Enterprise Funds**

	Waste Water Management	Water Management	Solid Waste Management	Railyard Property
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 9,909,250	\$ 29,263,525	\$ 9,306,238	\$ 561,147
Cash received from interfund services provided and used	-	-	-	-
Cash payments to suppliers for goods and services	(2,882,203)	(8,348,352)	(3,506,983)	\$ (59,539)
Cash paid for interfund services provided and used	(853,176)	(1,302,384)	(775,872)	(5,002)
Cash payments to employees for services	(4,666,064)	(7,998,485)	(4,062,780)	877
Net cash provided (used) by operating activities:	1,507,807	11,614,304	960,603	497,483
<b>Cash flows from noncapital financing activities:</b>				
Intergovernmental	1,777,741	14,203,926	1,752,033	590,483
Transfers-in from other funds	63,654	85,209	53,366	1,181,126
Transfers-out to other funds	(33,333)	(259,901)	-	(352,430)
Net cash provided (used) by noncapital financing activities	1,808,062	14,029,234	1,805,399	1,419,179
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(2,350,573)	(61,676,102)	(594,406)	(668,141)
Proceeds (Loss) from sale of capital assets	(3,902)	4,403	11,714	-
Contributed capital	-	-	-	-
Proceeds from sale of bonds net of issuance costs	-	62,348,916	-	-
Bond issuance cost paid	-	(345,000)	-	-
Principal paid on revenue bond maturities and notes payable	(1,240,000)	(5,025,546)	(690,000)	(625,113)
Interest paid on revenue bonds and notes payable	(439,255)	(4,189,396)	(614,161)	(552,532)
Net cash used for capital and related financing activities	(4,033,730)	(8,882,725)	(1,886,853)	(1,845,786)
<b>Cash flows from investing activities:</b>				
Interest and dividends on investments	165,612	755,011	80,640	11,121
Net cash provided by investing activities	165,612	755,011	80,640	11,121
Net increase (decrease) in cash and cash equivalents	(552,249)	17,515,824	959,789	81,997
Cash, investments and cash equivalents at beginning of year	17,726,264	61,954,032	7,678,844	1,266,712
<b>Cash, investments and cash equivalents at end of year</b>	<b>\$ 17,174,015</b>	<b>\$ 79,469,856</b>	<b>\$ 8,638,633</b>	<b>\$ 1,348,709</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (1,613,980)	\$ 8,404,440	\$ (170,914)	\$ (630,586)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	3,697,981	5,554,185	896,970	1,127,192
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(390,121)	(468,582)	159,314	-
(Increase) decrease in prepaid expenses	-	(2,195,100)	-	877
Increase (decrease) in accounts payable	(154,654)	962,707	52,202	-
Increase (decrease) in miscellaneous payable	16,201	(222,428)	(95,527)	-
Increase (decrease) in compensated absences payable	(62,577)	24,272	109,766	-
Increase (decrease) in accrued wages payable	42,820	59,464	39,957	-
Increase (decrease) in escrow	(27,863)	(504,654)	(31,165)	-
Increase (decrease) in due to other funds	-	-	-	-
(Increase) decrease in claims payable	-	-	-	-
Total adjustments	3,121,787	3,209,864	1,131,517	1,128,069
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,507,807</b>	<b>\$ 11,614,304</b>	<b>\$ 960,603</b>	<b>\$ 497,483</b>

Noncash disclosure: The City's College of Santa Fe fund received \$16,683,838 in donated land and buildings in fiscal year 2010. The notes to the financial statements are an integral part of this statement.

Santa Fe Convention Center	College of Santa Fe	All Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds	
\$ 408,746	\$ 2,092,884	\$ 9,383,933	\$ 60,925,723	\$ 15,420,114	Cash flows from operating activities:
-	-	-	-	5,376,082	Cash received from customers
(604,650)	(1,492,265)	(7,315,019)	(24,209,011)	(19,625,901)	Cash received from interfund services provided and used
(151,548)	(99,996)	(1,126,020)	(4,313,998)	-	Cash payments to suppliers for goods and services
(746,323)	-	(12,720,063)	(30,192,838)	(810,104)	Cash paid for interfund services provided and used
(1,093,775)	500,623	(11,777,169)	2,209,876	360,191	Cash payments to employees for services
					Net cash provided (used) by operating activities:
					Cash flows from noncapital financing activities:
100,000	-	8,585,388	27,009,571	-	Intergovernmental
4,333,354	150,000	10,545,823	16,412,532	626	Transfers-in from other funds
(26,741)	-	(5,431)	(677,836)	(1,597,828)	Transfers-out to other funds
4,406,613	150,000	19,125,780	42,744,267	(1,597,202)	Net cash provided (used) by noncapital financing activities
					Cash flows from capital and related financing activities:
(558,795)	(21,397,482)	(6,105,187)	(93,350,686)	-	Acquisition and construction of capital assets
-	-	406	12,621	-	Proceeds (Loss) from sale of capital assets
-	-	-	-	-	Contributed capital
-	29,615,000	-	91,963,916	-	Proceeds from sale of bonds net of issuance costs
-	-	-	(345,000)	-	Bond issuance cost paid
(1,010,000)	-	(760,000)	(9,350,659)	-	Principal paid on revenue bond maturities and notes payable
(2,345,325)	(1,008,194)	(528,928)	(9,677,791)	-	Interest paid on revenue bonds and notes payable
(3,914,120)	7,209,324	(7,393,709)	(20,747,599)	-	Net cash used for capital and related financing activities
					Cash flows from investing activities:
84,204	86,715	31,931	1,215,234	177,861	Interest and dividends on investments
84,204	86,715	31,931	1,215,234	177,861	Net cash provided by investing activities
(517,078)	7,946,662	(13,167)	25,421,778	(1,059,150)	Net increase (decrease) in cash and cash equivalents
8,121,446	-	3,154,425	99,901,723	18,855,802	Cash, investments and cash equivalents at beginning of year
<b>\$ 7,604,368</b>	<b>\$ 7,946,662</b>	<b>\$ 3,141,258</b>	<b>\$ 125,323,501</b>	<b>\$ 17,796,652</b>	<b>Cash, investments and cash equivalents at end of year</b>
					Reconciliation of operating income (loss) to net cash provided (used) by operating activities:
\$ (2,617,986)	\$ (227,375)	\$ (14,673,573)	\$ (11,529,974)	\$ 125,827	Operating income (loss)
					Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
1,317,600	727,998	3,007,163	16,329,089	13,355	Depreciation/amortization
-	-	227,987	(471,402)	-	Change in assets and liabilities:
-	-	-	(2,194,223)	(60,000)	(Increase) decrease in accounts receivable
104,210	-	(180,962)	783,503	160,762	(Increase) decrease in prepaid expenses
-	-	18,573	(283,181)	-	Increase (decrease) in accounts payable
18,503	-	76,915	166,879	(60,020)	Increase (decrease) in miscellaneous payable
9,003	-	78,527	229,771	(9,934)	Increase (decrease) in compensated absences payable
74,895	-	12,771	(476,016)	-	Increase (decrease) in accrued wages payable
-	-	(344,570)	(344,570)	-	Increase (decrease) in escrow
-	-	-	-	190,201	Increase (decrease) in due to other funds
					(Increase) decrease in claims payable
1,524,211	727,998	2,896,404	13,739,850	234,364	Total adjustments
<b>\$ (1,093,775)</b>	<b>\$ 500,623</b>	<b>\$ (11,777,169)</b>	<b>\$ 2,209,876</b>	<b>\$ 360,191</b>	<b>Net cash provided (used) by operating activities</b>

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**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2010**

**I. Summary of significant accounting policies**

**A. Reporting entity**

The City of Santa Fe (the "City") is a municipal corporation governed by an elected mayor and an eight-member council. The accompanying financial statements present the government and its component unit as an entity for which the City is considered to be financially accountable. The City has no blended component units that are legally separate entities, but still in substance part of the government's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements in order to emphasize that it is a legally separate entity from the City (see "discretely presented component unit" below).

**Discretely presented component unit.** The Santa Fe Civic Housing Authority (a discretely presented component unit) is comprised of nine programs: The Santa Fe Civic Housing Authority, Section 8 Housing, La Cieneguita Elderly Housing, the Housing Development Corporation, the Cielo Azul, the Capital Projects Fund, Mainstream Voucher, Region II HUD Voucher, and Mora County HUD Voucher. The Santa Fe Civic Housing Authority is responsible for providing public housing services within the city limits. The Section 8 Housing and La Cieneguita Elderly Housing assistance programs are responsible for subsidizing low income housing. The Housing Development Corporation is responsible for providing 100 units of housing for elderly persons who qualify for assistance under Section 8 of the United States Housing Act of 1987. The Cielo Azul is used to account for the activity of an affordable housing project purchased in October 2004. The primary function of Cielo Azul is to house residents whose income is less than or equal to 80% of the area's median income. The City is financially accountable for the component unit since the Mayor, with approval of the City Council, appoints a voting majority of the governing board and can impose its will on the entity. The component unit is presented as an enterprise-type fund.

Complete financial statements for the component unit may be obtained at the Santa Fe Civic Housing Authority, 664 Alta Vista, Santa Fe, NM 87505.

**B. Government-wide and fund financial statements**

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 "Basic Financial Statements-and Management's Discussion and Analysis- for State and Local Governments" which was effective for the City's fiscal year ending June 30, 2002. As a result, there has been a major change in how the City presents its financial statements.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported

**City of Santa Fe, New Mexico**  
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separately from the legally separate component unit for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual enterprise funds are reported as separate columns in the basic fund financial statement. There are no fiduciary funds reported by the City.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Gross receipts taxes are not estimable at the time of the underlying exchange transactions, and therefore are recorded as revenue at the time the state reports the amounts collected on behalf of the City. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**City of Santa Fe, New Mexico**  
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Property taxes are levied and collected by the Santa Fe County treasurer on behalf of the City. The taxes are levied in November and payable in two installments, November 10<sup>th</sup> and April 10<sup>th</sup>. The County remits to the City a percentage of the collections made during the month.

Taxes are considered delinquent and subject to lien, penalty and interest, 30 days after the date on which they are due.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt service Funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The ½% Gross Receipts Tax Fund is used to account for the City's portion of gross receipts taxes collected by the State of New Mexico per Ordinance No. 1981-45. The Ordinance dedicates ½ of 1 percent for capital improvements to City facilities and street and road construction and re-construction to include any future operating expenditures (i.e. personnel or administrative costs) necessitated by the expansion of the services and facilities to the public.

The City reports the following major proprietary funds:

The Waste Water Management Fund accounts for the operation of the City's treatment and sewage system.

The Water Management Fund accounts for the activities of the City's water supply, transmission and distribution systems.

The Solid Waste Management Fund accounts for the operation of the City's solid waste collection service.

The Railyard Property Fund accounts for the development of 50 acres of prime real estate near the center of the City previously owned by the railroad and a private developer.

The Santa Fe Convention Center Fund (formerly known as Sweeney Convention Center), accounts for the operation of the City's convention center.

The College of Santa Fe fund accounts for the lease operations, debt service, and construction activities associated with the City's purchase of the college from a not-for-profit corporation and subsequent lease to Laureate Education Inc. in September of 2009.

**City of Santa Fe, New Mexico**  
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Additionally, the City reports the following fund types:

Internal service funds account for the City's Santa Fe Health Fund, Retiree Health Care Fund, Risk Management Fund, Workers' Compensation Fund, Santa Fe Dental Fund and the Union Sick Leave Bank which are services to City departments on a cost assessment basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the utilities functions and insurance functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

**City of Santa Fe, New Mexico**  
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**D. Assets, liabilities and net assets or equity**

**1. Deposits and investments**

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

City funds are invested in accordance with New Mexico State Statute 6-10-36, and with the City of Santa Fe Investment Policy, which states:

City funds shall be invested in accordance with New Mexico Statute 6-10-36 and shall be equitably distributed among all banks and credit unions having their main or manned branch offices within the municipal boundaries and who are interested in doing business with the City, as directed by Statute 6-10-36, Paragraph C. Collateralization will be required on all deposits in excess of amounts insured by the Federal Deposit Insurance Corporation, or the National Credit Union Association. The collateralization level will be one hundred two percent (102%) of the market value of principal, except for deposits with the primary fiscal agent which will be collateralized at fifty percent (50%) in accordance with New Mexico Statute 6-10-17. Funds that are declared excess due to the inability of local financial institutions to accept these deposits may be invested in U.S. Government Securities, or as otherwise provided by law. The City will diversify use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments or individual financial institutions and limit maturities to five years or less to avoid interest rate risk. Certain investments held to accommodate debt reserve requirements may have maturities of more than five years.

The Investment Policy provides for the following authorized investments:

1. United States Treasury Securities (Bills, Notes and Bonds).
2. Insured and/or collateralized (with securities of the U.S. Government, its agencies or instrumentalities, municipal securities, or Letters of Credit from the Federal Home Loan Bank of Dallas) checking or savings accounts, or certificates of deposit of banks, or credit unions, pursuant to State Board of Finance Collateral Policies.
3. Other securities issued by the United States government or its agencies or instrumentalities that are either direct obligations of the United States, the Federal Home Loan Mortgage Corp., the Federal National Mortgage Assoc., the Federal Home Loan Bank, the Federal Farm Credit Bank, or the Student Loan Marketing Assoc., or are backed by the full faith and credit of the United States Government.

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

Interest earnings on pooled investments are distributed quarterly to all participating funds based on the average of current vs. previous quarter-end cash balances. Investments for the City, as well as for its component unit, are stated at fair value.

**City of Santa Fe, New Mexico**  
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**2. Receivables and payables**

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

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

**3. Inventories and prepaid items**

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

The City of Santa Fe is a party to a contract with the Bureau of Reclamation, United States of America which provides certain rights to purchase water from the San Juan Chama renewable water resource system. Per contract dating from 1976 and made permanent in 2006, the City of Santa Fe has rights to purchase 5,605 acre feet per year from the San Juan Chama system for which it pays a predetermined rate. The City may utilize the water in the year it purchases it or in a later year if utilization does not match the annual amount

**City of Santa Fe, New Mexico**  
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purchased. Amount acquired in excess of those amounts utilized are recorded as prepaid water assets in the statement of net assets. The amount recorded at June 30, 2010 was \$502,189.

The City of Santa Fe was party to a water resource contract with the Jicarilla Tribe and under the terms of the contract it purchased water resources from Jicarilla during the period 2004 through 2008. None of the purchased water has been utilized and is available for future use. The purchase amount of the water in the amount of \$9,423,900 is recorded as a prepaid water asset in the financial statements.

#### **4. Restricted Assets**

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

#### **5. Capital assets**

Capital assets, which include property, plant, furniture, art, software, equipment, vehicles, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In fiscal year 2006-2007 the City increased the cost threshold for capitalization from \$1,000 to \$5,000. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets, if purchased or constructed, are recorded at historical costs or estimated historical cost if original cost was not available. Donated capital assets are recorded at estimated fair value at the date of donation. City land acquired prior to 1987 was primarily by land grant or donation and is estimated to be 4,217 acres. Because original values are unknown, the parcels are valued at one dollar each.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense, net of amortization, capitalized by the City's Water Division and the College of Santa Fe during the current fiscal year was \$3,771,427 and \$1,026,196 respectively.

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

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

**6. Compensated absences**

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

**7. Long-term obligations**

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

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

**8. Fund equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**9. Net Assets**

**City of Santa Fe, New Mexico**  
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The government-wide and business types fund financial statements utilize a net asset presentation. Net assets are categorized as investment in capital assets net of related debt, restricted and unrestricted.

Investment in Capital Assets net of related debt is intended to reflect the portion of net assets which are associated with non-liquid, capital assets less outstanding less outstanding capital asset related debt.

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

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

#### **10. Comparative Data/Reclassifications**

Comparative data for the prior year have been presented in MD&A in order for management to provide as explanation of significant changes between years. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

#### **11. Use of Estimates**

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

## **II. Reconciliation of government-wide and fund financial statements**

### **A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

**City of Santa Fe, New Mexico**  
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The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the \$(127,068,671) difference are as follows:

Bonds Payable		\$ (98,060,000)
Plus: Bond premium (to be amortized as interest expense)		(3,306,385)
Intergovernmental Notes Payable		(19,655,504)
Sub - Total		(121,021,889)
Compensated Absences		(6,046,783)
Net Adjustment to reduce <i>fund balance - total governmental funds</i>		\$ (127,068,672)

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balance – total governmental funds* and *changes in net assets of government activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$ 5,231,009 are as follows:

Capital Outlay		\$ 21,022,295
Less: Capital Outlay-Inventory Exempt		(4,871,841)
Depreciation Expense		(10,919,445)
Net Adjustment to Increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities		\$ 5,231,009

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.” Neither transaction however has any effect on net assets. Also, governmental funds report the deferred and amortized amounts in the statement of activities. The details of this \$7,934,084 difference are as follows:

Principal Repayments:		
Revenue bond debt		7,375,000
Capital lease payments		261,058
NMFA and HUD Loan agreement payments		298,026
Net Adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>		\$ 7,934,084

**City of Santa Fe, New Mexico**  
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Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this (823,903) difference are as follows:

Compensated Absences	\$ 532,405
Interest Payable	38,534
Amortization of bond premiums	524,776
Amortization of deferred charges	<u>(271,812)</u>
Net Adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u><u>\$ 823,903</u></u>

**III. Stewardship, compliance and accountability**

**A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. Depreciation is not budgeted for enterprise funds. All annual appropriations lapse at fiscal year end.

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

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

1. budget increases;
2. transfers of budget between funds;
3. transfers of cash, both permanent and temporary, between funds; and
4. any combination of the above.

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

**City of Santa Fe, New Mexico**  
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The Housing Authority's budget (for the PHA-Locally Owned and Home Ownership Opportunity Programs and the Section 8 Housing Programs) is prepared by management. The Housing Authority is included in the combined financial statements as a component unit. The Santa Fe Housing Development Corporation's 18-month budget is prepared and approved by the Housing Authority's governing board. The Corporation is included in the combined financial statements as a component unit.

The appropriated budget is prepared by fund, function and division. The City manager may approve requested transfers of appropriations within a fund for amounts less than \$30,000. Transfers of appropriations in excess of \$30,000 or between funds and all budget increases require the approval of the City council. The legal level of budgetary control (i.e. the level at which expenditure may not legally exceed appropriations) is at the function level for the general fund, the fund level for special revenue and capital improvement funds and at the division level for the proprietary funds. The City council approved supplemental budgetary appropriations during the fiscal year, primarily for new grant awards and additional project funds, which did not materially affect cash reserves of related funds.

Encumbrance accounting is employed in all funds, which represents commitments related to yet unreceived or unperformed goods or services. Encumbrances (purchase orders, contracts and other commitments for the expenditure of resources) do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

**B. Excess of expenditures/expenses over appropriations**

For the year ended June 30, 2010, expenditures/expenses exceeded appropriations in the following funds:

The Special Projects Fund, reported as a Capital Improvement Fund, is reporting excess expenses over appropriations of \$397,030. This deficit was caused by the implementation of a web based financial system costing more than anticipated. The balance of the amount over-expended will be covered from transfers from enterprise funds to participate in the cost.

The Parking Enterprise Fund is reposting excess expenses over appropriations of \$124,335. The overage was caused by higher than anticipated gross receipts tax payments to the New Mexico Taxation and Revenue Department

The Worker's Compensation Fund, reported as an Internal Service Fund, is reporting excess of expenses over appropriations of \$1,094,790. The deficit was caused by the incurred but not reported (IBNR) cost which is a non-budgeted item. The balance of the amount over-expended was recovered by available cash balance.

The Union Sick Leave Bank Fund and Santa Fe Dental fund, reported as Internal Service Funds, are reporting excess of expenses over appropriations of \$73,910 and \$611,458 respectively. The deficit was caused by the expenditure being budgeted in the employee's

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individual fund. The balance of the amount over-expended was recovered by available cash balance.

The education function within General Fund is reporting an excess of expenses over appropriations of \$206,128. The deficit was caused by higher than anticipated expenditures for personnel costs for fiscal year 2010. Please refer to finding 06-06 for smaller budget overages.

**C. Deficit fund equity**

The Municipal Recreation Complex, reported as an Enterprise Fund, has deficit fund equity of \$6,456,558 as of June 30, 2010. The deficit is the result of a portion of the bond proceeds being required for start-up costs, including capitalized interest and working capital. The deficit is expected to be recovered as a result of on-going operations.

The Special Projects Fund, reported as a Capital Improvement Fund, has deficit fund balance of \$476,751, as of June 30, 2010. This deficit was caused by the implementation of a web based financial system costing more than anticipated. The balance of the amount over-expended will be covered by cost sharing with the enterprise for the cost of the difference modules implemented.

**IV. Detailed notes on all funds**

**A. Cash and Cash Equivalents**

At year-end, the carrying amount of deposits for the City of Santa Fe was \$80,976,820 and the year-end bank balance was \$80,793,558. The total of demand deposits and short term-term certificates of deposit were covered by Federal Depository Insurance, by collateral held by the City's agent in the City's name, by letters of credit from the Federal Home Loan Bank of Dallas purchased by the depository institution, or by collateral held at appropriate custodial banks as delivered by the depository institution for the various certificates of deposit and investment accounts other than those held by the City's agent bank. The City's sweep accounts, the underlying investments of which are U.S. Government securities, are not subject to collateralization requirements.

The carrying amount of deposits for the Housing Authority, presented as a component unit, was \$6,823,227 and the bank balance was \$6,404,010. All bank balances were covered by both Federal Depository Insurance and by collateral pledged in the Housing Authority's name.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2010 none of the City's deposits were exposed to custodial credit risk. The total of demand deposits and short-term certificates of deposit were covered by FDIC, by collateral held by the City's agent in

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the City's name, by letters of credit from the Federal Home Loan Bank of Dallas purchased by the depository institution, or by collateral held at appropriate custodial banks as delivered by the depository institution for certificates of deposit and investment accounts other than those held at the City's agent bank.

The Housing Authority does not have a deposit policy for custodial credit risk. As of June 30, 2010, \$1,113,540 of the Authority's bank balance of \$7,386,497 was exposed to custodial credit risk as follows:

Depository Accounts	
Insured	\$ 3,908,763
Uninsured and collateral held by pledging bank's trust department not in the Authorities name	2,364,194
Uninsured and uncollateralized	1,113,540
	\$ 7,386,497

Certain cash balances are restricted by donors, bond agreements or by other legal requirements. Restricted cash balances are maintained in separate bank accounts.

**B. Investments**

As of June 30, 2010, the City had the following investments and maturities:

	Fair Value	Maturities			
		Less than 1 year	1 - 3 years	3 - 5 years	5 - 7 years
U. S. Government Agency bonds	\$ 95,902,808	\$ 42,377,738	\$ 53,174,326	\$ 49,887	\$ 300,857
NM Municipal bonds	11,967,412	6,804,906	3,504,254	1,658,252	-
	107,870,220	\$ 49,182,644	\$ 56,678,580	\$ 1,708,139	\$ 300,857
Money Market Funds	2,591,606				
NM LGIP	803,748				
Total Investments	\$ 111,265,574				

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits portfolio maturities to five years or less, though investments held to accommodate debt reserve requirements may have longer maturities. It further manages exposure by limiting the weighted average maturity of its investment portfolio to less than one year. The New Mexico Local Government Investment Pool at June 30, 2010 had a weighted average maturity of 50 days.

*Credit Risk.* As a charter city, the City's investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and

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intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The City's investment policy follows the State of New Mexico statute on public funds with certain further limitations. While State statute permits investing in commercial paper and corporate notes, the City limits its investments to securities issued by the U.S. government or its agencies, money market funds consisting of U.S. government and/or U.S. government-sponsored agency securities, repurchase agreements, New Mexico Local Government Investment Pool, and New Mexico municipal securities. Also in compliance with the City Council approved Investment Policy, the City does not purchase any municipal, U.S. agency or instrumentality, money market or other allowed investment carrying less than the investment grade ratings offered by Standard and Poors, Moody's and/or Fitch.

With the demise of most bond insurance firms and the unprecedented bond market turmoil that began during FY 2007-2008, the use of municipal bond insurance as a means of providing municipalities with AAA ratings was severely curtailed. The rating agencies began reviewing underlying municipal credit ratings and adjusting them as they felt necessary. Municipals held in the portfolio changed considerably over the past year, allowing the City to focus on purchases of those with strong underlying ratings as seen in the list of holdings provided below. The City has adopted a goal of purchasing municipals with equivalent ratings of AA or above. The City monitors the municipals in its portfolio, and makes appropriate decisions regarding their retention as needed. Municipals made up 9.4% of the portfolio at the end of FY 09-10.

	<u>Fair Value</u>	<u>S&amp;P</u>	<u>Moody's</u>
Albuquerque NM Airport Revenue Bond	\$ 514,650	AAA	AA3
Albuquerque NM Gross Receipts Tax Refunding Bond	1,658,252	AAA	AA2
Bernalillo County NM Gross Receipts Tax Bond	6,519,695	SP-1+	AA2
Los Alamos County NM Utility Bond	650,732	AAA	AA3
NM Mortgage Finance Authority Single Family Mortgage Bond	285,211	AAA	N/R
NM Mortgage Finance Authority Single Family Mortgage Bond	295,363	AAA	N/R
NM Mortgage Finance Authority Single Family Mortgage Bond	310,372	AAA	N/R
NM Mortgage Finance Authority Single Family Mortgage Bond	292,949	AAA	N/R
Santa Fe County NM Gross Receipts Capital Outlay Bond	778,992	AA	AA1
Southern Sandoval County NM Arroyo Flood Control Bond	661,196	N/R	AA2
	<u>\$ 11,967,412</u>		

*Concentration of credit risk.* Concentration risk is the risk of loss attributed to the magnitude of the portfolio's investment in a single issuer. The City's investment policy specifies that the City shall diversify investments to avoid incurring unreasonable risk from concentrating investments in specific security types and individual financial institutions.

The following table lists the fair value of securities and money market/pools in the City's portfolio as of June 30, 2010 with their respective percent of the portfolio, weighted average maturity and ratings. In addition to municipals and US Treasuries, the City holds FFCB, FHLB, FHLMC, FNMA and GNMA agencies. The Wells Fargo Bank money market

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account serves as the repository for cash derived from matured securities and available proceeds are continuously reinvested into securities.

<u>Investment</u>	<u>Agencies</u>			
	<u>Fair Value</u>	<u>% of Portfolio</u>	<u>WAM (Days)</u>	<u>Rating</u>
NM LGIP	\$ 803,748	0.74%	1	AAAm
WFB Adv. Govt. Money Market	2,591,606	2.39%	1	AAAm
US Treasuries	10,566,665	9.74%	214	AAA
US Agencies				AAA
FFCB	10,767,530	9.92%	362	AAA
FHLB	30,216,080	27.85%	287	AAA
FNMA	24,163,699	22.27%	142	AAA
FHLMC	17,063,090	15.73%	247	AAA
GNMAs	350,744	0.32%	2335	AAA
NM Municipals - Taxable	10,527,224	9.70%	293	AA-AAA
NM Municipals - Tax Exempt	1,440,188	1.33%	561	AA-AA2
<b>TOTAL</b>	<b>\$ 108,490,574</b>	<b>100.00%</b>	<b>213</b>	

The City held uninsured deposits of \$66,354,974 at June 30, 2010, of which 61% resided at Wells Fargo Bank, the City's primary financial institution. All uninsured funds were collateralized in compliance with State of New Mexico statute.

All securities owned by the City are held by Wells Fargo Bank as custodian for the City, and with the exception of municipal securities which carry their own rating, all securities are registered AAA-rated federal agency securities backed by the full faith and credit of the federal government. The City invests in money market funds that contain only agency securities backed by the full faith and credit of the federal government. It has invested in the New Mexico Local Government Investment Pool which does contain AAA corporate paper in line with State of New Mexico statute, but the City itself does not hold any corporate paper.

The Housing Authority, presented as a component unit, had no at-risk investments at June 30, 2010.

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**C. Receivables**

Receivables at June 30, 2010 for the City's individual major funds, non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service	1/2% Gross Receipt Tax	Waste Water Mgmt	Water Mgmt	Solid Waste Mgmt	Railyard Property	Santa Fe Center	College of Santa Fe	Nonmajor and Other Funds	Total
Receivables:											
Taxes	\$ 9,496,453	\$ 20,692	\$ 2,472,448	\$ 305,412	\$ 1,217,772	\$ 305,373	\$ -	\$ -	\$ -	\$ 2,328,130	\$ 16,146,280
Grants	782,040	-	-	165,851	1,587,842	-	10,001	-	-	8,839,440	11,385,174
Accounts	-	-	-	2,521,884	7,845,781	2,073,220	-	-	-	293,923	12,734,808
Interest	38,200	56,084	-	60,374	294,446	32,309	3,155	31,738	29,114	183,780	729,200
Ambulance	2,636,034	-	-	-	-	-	-	-	-	-	2,636,034
Other	73,410	-	-	-	-	-	-	-	-	2,735,556	2,808,966
Gross Receivables	13,026,137	76,776	2,472,448	3,053,521	10,945,841	2,410,902	13,156	31,738	29,114	14,380,829	46,440,462
Less: Allowance Uncollectible:	(1,770,429)	-	-	(273,433)	(1,569,432)	(360,530)	-	-	-	(23,607)	(3,997,431)
Total Primary Government	\$ 11,255,708	\$ 76,776	\$ 2,472,448	\$ 2,780,088	\$ 9,376,409	\$ 2,050,372	\$ 13,156	\$ 31,738	\$ 29,114	\$ 14,357,222	\$ 42,443,031
Component Units:											
Grants and tenants	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -		\$ 96,440	\$ 96,440
Other	-	-		-	-	-	-	-		1,135,700	1,135,700
Total Component Units:	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -		\$ 1,232,140	\$ 1,232,140

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

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	Deferred
Land Sale Contract - (Special Revenue)	\$ 2,512,826
Special Assessments-(Special Revenue)	74,775
Grant-(Special Revenue)	189,309
Advance for construction (CIP fund)	398,173
HUD payment in advance (Debt service)	25,113
Reimbursement of Gas line extension - (General Fund)	43,779
Liquor Licenses - (General Fund)	49,825
Total Unearned Revenue for Governmental Funds	\$ 3,293,800

**D. Capital assets**

Capital asset activity for the year ended June 30, 2010 was as follows:

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$ 167,563,753	\$ 2,233,421	\$ (235,000)	\$ 169,562,174
Construction in Progress	43,927,407	13,466,522	(40,261,747)	17,132,182
Art	922,920	-	-	922,920
Total Capital Assets not being Depreciated	212,414,080	15,699,943	(40,496,747)	187,617,276
Capital Assets being Depreciated:				
Buildings and systems	43,368,881	11,007,641	-	54,376,522
Improvements	22,412,524	13,736,561	-	36,149,085
Equipment and Machinery	15,304,521	605,524	(133,606)	15,776,439
Furniture and Fixtures	614,520	251,494	-	866,014
Vehicles	19,552,020	1,373,390	(651,078)	20,274,332
Data Processing and Software	11,242,344	535,944	(102,519)	11,675,769
Traffic Signals	22,554,785	667,262	-	23,222,047
Streets	178,143,566	13,805,097	(493,782)	191,454,881
Bridges	2,109,269	-	-	2,109,269
Total Capital Assets being Depreciated	315,302,430	41,982,913	(1,380,985)	355,904,358
Less: Accumulated Depreciation for:				
Buildings	(9,602,057)	(1,332,243)	-	(10,934,300)
Improvements	(16,617,968)	(2,361,636)	-	(18,979,604)
Equipment and Machinery	(12,431,262)	(1,050,351)	124,438	(13,357,175)
Furniture and Fixtures	(488,532)	(31,456)	-	(519,988)
Vehicles	(12,144,398)	(1,618,943)	631,643	(13,131,698)
Data Processing and Software	(6,139,224)	(1,231,877)	101,981	(7,269,120)
Traffic Signals	(19,701,940)	(646,422)	-	(20,348,362)
Streets	(146,667,701)	(2,580,205)	-	(149,247,906)
Bridges	(286,044)	(79,667)	-	(365,711)
Total Accumulated Depreciation	(224,079,126)	(10,932,800)	858,062	(234,153,864)
Total Capital Assets being Depreciated	91,223,304	31,050,113	(522,923)	121,750,494
Governmental Activities Capital Assets	\$ 303,637,384	\$ 46,750,056	\$ (41,019,670)	\$ 309,367,770

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	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$ 27,095,773	\$ 14,456,000	\$ -	\$ 41,551,773
Water Rights	173,160	168,119	-	341,279
Construction in Progress	116,876,241	79,585,279	(28,423,907)	168,037,613
Art	185,971	-	-	185,971
<b>Total Assets not being Depreciated</b>	<b>144,331,145</b>	<b>94,209,398</b>	<b>(28,423,907)</b>	<b>210,116,636</b>
Capital Assets being Depreciated:				
Buildings and Structures	147,174,760	36,656,561	-	183,831,321
Improvements	64,491,560	2,686,673	-	67,178,233
Sewerlines and Utility Systems	92,020,171	10,180,065	(1,415)	102,198,821
Equipment and Machinery	19,745,358	490,501	(103,289)	20,132,570
Furniture and Fixtures	769,505	8,943	(3,305)	775,143
Vehicles	20,985,506	1,560,178	(871,533)	21,674,151
Intangible Plant	57,625	-	-	57,625
Data Processing and Software	2,750,639	687,524	(63,010)	3,375,153
<b>Total Assets being Depreciated</b>	<b>347,995,124</b>	<b>52,270,445</b>	<b>(1,042,552)</b>	<b>399,223,017</b>
Less Accumulated Depreciation for:				
Buildings and Structures	(25,567,750)	(4,172,889)	-	(29,740,639)
Improvements	(36,483,456)	(4,805,289)	-	(41,288,745)
Sewerlines and Utility Systems	(47,670,933)	(3,865,634)	173	(51,536,394)
Equipment and Machinery	(12,238,206)	(1,411,975)	102,826	(13,547,355)
Furniture and Fixtures	(724,557)	(11,966)	3,111	(733,412)
Vehicles	(13,232,626)	(1,687,388)	862,247	(14,057,767)
Intangible Plant	(57,625)	-	-	(57,625)
Data Processing and Software	(2,069,963)	(184,768)	63,084	(2,191,647)
<b>Total Accumulated Depreciation</b>	<b>(138,045,116)</b>	<b>(16,139,909)</b>	<b>1,031,441</b>	<b>(153,153,584)</b>
<b>Total Capital Assets being Depreciated</b>	<b>209,950,008</b>	<b>36,130,536</b>	<b>(11,111)</b>	<b>246,069,433</b>
<b>Business-type Activities Capital Assets</b>	<b>\$ 354,281,153</b>	<b>\$ 130,339,934</b>	<b>\$ (28,435,018)</b>	<b>\$ 456,186,069</b>

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**Discretely presented component unit:**

	Beginning Balance	Española Contributions	Increases	Decreases/ Reclasses	Ending Balance
Capital Assets not being Depreciated:					
Land	\$ 865,152	\$ 277,437	\$ -	\$ -	\$ 1,142,589
Construction In Progress	28,952	579,712	3,774,321	(617,373)	3,765,612
Total Capital Assets not being Depreciated	894,104	857,149	3,774,321	(617,373)	4,908,201
Capital Assets being Depreciated:					
Buildings and Improvements	28,740,522	10,824,142	1,004,890	(8,943,627)	31,625,927
Furniture and Fixtures	243,761	639,153	-	-	882,914
Vehicles	240,331	138,759	-	-	379,090
Machinery and Equipment	236,391	-	4,318	(41,834)	198,875
Total Capital Assets being Depreciated	29,461,005	11,602,054	1,009,208	(8,985,461)	33,086,806
Less: Accumulated Depreciation:	(19,742,566)	(6,379,628)	(1,535,151)	7,058,962	(20,598,383)
Total Capital Assets being Depreciated, Net	9,718,439	5,222,426	(525,943)	(1,926,499)	12,488,423
Discretely Presented Component Unit Capital Assets, Net	<u>\$ 10,612,543</u>	<u>\$ 6,079,575</u>	<u>\$ 3,248,378</u>	<u>\$ (2,543,872)</u>	<u>\$ 17,396,624</u>

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

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**Governmental Activities:**

General Government	\$ 1,860,308
Public Safety	1,002,909
Highways and Streets, excluding depreciation of general infrastructure assets	7,433,041
Community Welfare	171,437
Culture and Recreation	451,750
Subtotal	10,919,445
Capital Assets held by the City's Internal Service Funds are charged to the various functions based on their usage of the Assets	13,355
Total Depreciation Expense - Governmental Activities	<b>\$ 10,932,800</b>

**Business - Type Activities:**

Santa Fe Convention Center	\$ 1,297,639
Parking Operations	514,048
Solid Waste Management	875,807
Waste Water Management	3,663,342
Water Management	5,460,438
Municipal Recreation Center	235,982
Genoveva Chavez Community Center	515,203
Airport	1,021,207
Transit Operations	701,053
Railyard	1,127,192
College of Santa Fe	727,998
Total Depreciation Expense - Business-Type Activities	<b>\$ 16,139,909</b>

**Construction commitments:**

The City has active construction projects as of June 30, 2010. The projects include street and highway construction, parks and recreation, community welfare, municipal facilities, airport improvements, and water division facilities improvements, waste water management, rail yard infrastructure, parking, transit, general government, solid waste and GCCC community center. At year end the City's commitments with contractors are as follows:

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<b>Project</b>	<b>Spent to Date</b>	<b>Remaining Commitments</b>
Street and Highway Construction	\$ 42,432,636	\$ 1,453,793
Parks and Recreation	25,086,999	2,387,761
Municipal Facilities Improvements	6,655,722	175,371
Railyard Infrastructure	27,338,260	509,123
Airport Improvements	17,967,855	1,080,042
Community Welfare	752,944	161,035
Community Development	5,247,559	101,452
Wastewater Management	18,628,623	245,447
Water Division Improvements	119,373,417	11,275,729
Convention Center	62,137,168	371,866
General Government	103,499	2,677
Solid Waste	8,716,990	19,061
GCCC Community Center	188,851	56,254
Total	<b>\$ 334,630,523</b>	<b>\$ 17,839,611</b>

The commitment for streets and highways is being financed by grants from Federal Highway Administration, New Mexico Highway and Transportation Department, New Mexico Department of Finance and Administration, gross receipts tax revenue bonds, and existing resources from aerial photo fund, sewer line extension fund, economic development fund and Tierra Contenta fund, the capital improvements project fund (CIP) and from the American Reinvestment and Recovery Act (federal stimulus money). The commitment for parks and recreation is being financed by a grant from New Mexico Department of Finance and Administration, gross receipt tax revenue bonds and from existing resources of general fund and the Tierra Contenta fund. The commitment for Municipal facilities is being financed by CIP re-allocations, and the ½% gross receipts tax fund. The commitment for the Railyard Infrastructure is being financed by GRT bonds and generated revenues. The commitment for the Airport is financed by the Federal Aviation Administration grants, bond issues, and from the New Mexico Highway and Transportation Department. Community welfare is being financed by grants from the New Mexico State Agency on Aging, gross receipts tax bonds (GRT), and CIP reallocations. Commitments for the Wastewater treatment facility are financed by sewer revenues and existing resources from the CIP reallocation fund. Commitments for the Water division are financed by gross receipts tax revenue bonds to be paid back from user fees, grants from state and federal agencies, and loans from the New Mexico Finance Authority. Commitment for the Convention Center is financed by loans from the New Mexico Finance Authority and transfers from the Convention Center-Lodgers Tax Fund. Solid Waste commitments are financed by revenue bonds and generated revenues.

**E. Endowment**

The City of Santa Fe Library Endowment fund, of which the \$250,000 principal must remain intact in perpetuity, was reinvested in a one-year certificate of deposit for this fiscal year. The

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principal is invested to generate distributable income for the Southside Public Library to be used for operation and maintenance of the building.

**F. Inter-fund receivables, payables, and transfers**

The composition of interfund balances as of June 30, 2010, is as follows:

	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
Primary Government:		
General Fund		
Special Revenue Funds:		
Francise Fee	\$ 2,725	\$ -
Environmental Services	43,239	-
Resource Conservation	80,576	-
Senior Citizens Grants	249,060	-
NEA	8,905	-
Capital Projects Funds		
Other CIP Projects	365,330	-
Enterprise Funds:		
Transit Bus System	398,286	-
Special Revenue Funds:		
General Fund	-	384,505
Capital Improvement Funds		
1/2% Gross Receipts Tax	-	280,000
Capital Projects Funds		
General Fund	-	365,330
Special Revenue Funds:		
Land Development	280,000	-
Enterprise:		
Water Management	13,624,545	-
Enterprise Funds		
General Fund:	-	398,286
Capital Project Funds:		
1/2% Gross Receipts Tax	-	13,624,545
Total All Funds	<b>\$ 15,052,666</b>	<b>\$ 15,052,666</b>

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Component Unit:

Enterprise Funds

Housing Authority	\$	282,155	\$	-
Santa Fe Housing Development Corporation:				105,280
Section 8 - Voucher				113,759
La Cieneguita				38,341
Espanola Section 8 Voucher				24,750
Cielo Azul				25
Section 8 Voucher		1,140,927		-
Region II Voucher				416,256
SF Housing Development Corp				400,000
Espanola Section 8 Voucher				324,671
Cielo Azul		4,625		1,753
La Cieneguita				2,872
Section 8 - Voucher				-
Region II		39,815		-
Housing Authority				39,815
Espanola Section 8 Voucher		363,587		-
Espanola Housing Operating				363,587
Espanola Housing Operating		23,540		-
Housing Operating				23,540
Santa Fe Housing Development Corporation:		500,000		-
Cielo Azul				500,000
<b>Total All Funds</b>	<b>\$</b>	<b>2,354,649</b>	<b>\$</b>	<b>2,354,649</b>

Inter-fund transfers:

Transfer In From							
Fund Disbursing	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service	Total
General Fund	\$ -	\$ 2,388,580	\$ 3,009,800	\$ 47,432	\$ 104,333	\$ 1,323,978	\$ 6,874,123
Special Revenue	6,350,967	1,398,410	1,385,401	309,629	26,741	43,195	9,514,343
Capital Projects	-	137,448	1,971,041	1,302,511	188,901	10,001	3,609,902
Debt Service	-	1,847,260	9,667,825	362,140	352,430	-	12,229,655
Enterprise Funds	133,334	12,672,294	2,481,446	900,000	5,431	220,027	16,412,532
Internal Service	-	-	-	-	626	-	626
Total	\$ 6,484,301	\$ 18,443,992	\$ 18,515,513	\$ 2,921,712	\$ 678,462	\$ 1,597,201	\$ 48,641,181

Transfer Out To							
Fund Disbursing	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service	Total
General Fund	\$ -	\$ 6,350,967	\$ -	\$ -	\$ 133,334	\$ -	\$ 6,484,301
Special Revenue	2,388,580	1,398,410	137,448	1,847,260	12,672,294	-	18,443,992
Capital Projects	3,009,800	1,385,401	1,604,741	9,667,825	2,481,446	-	18,149,213
Debt Service	47,432	309,629	13,022	2,017,928	900,000	-	3,288,011
Enterprise Funds	104,333	26,741	38,901	502,430	5,431	-	677,836
Internal Service	1,323,978	43,195	10,001	-	220,028	626	1,597,828
Total	\$ 6,874,123	\$ 9,514,343	\$ 1,804,113	\$ 14,035,443	\$ 16,412,533	\$ 626	\$ 48,641,181

**City of Santa Fe, New Mexico**  
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The City has numerous interfund transactions during the course of the fiscal year. These transactions are treated as follows:

1. Inter-fund services provided and used are accounted for as revenues and expenditures/expenses in the funds involved. These types of transactions include administrative overhead charges that are charged to various City departments for services that are being provided (data processing, accounting, personnel, etc.). This also includes insurance premiums charged to the various City departments by the City's Risk Management Fund which contracts with a third – party insurance carrier.
2. Inter-fund balances result from deficit cash balances and the loan from the ½% CIP GRT to the Water Management fund which it expects to collect in future years.
3. Transfers are used to 1) move revenues from the fund with collection authorization to where the resources are to be expended 2) move unrestricted general fund revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amount provided as matching funds for various grant programs.

#### **G. Leases**

##### **Operating Leases**

The City has operating leases for certain buildings, parking lots, towers, and data processing equipment. The operating leases are renewable annually contingent upon available appropriations. The total cost and minimum future lease payments are considered by management to be immaterial as of June 30, 2010

#### **H. Long-Term Debt**

Long-term debt of the city at June 30, 2010 consisted of revenue bonds payable solely from gross receipts tax revenues, revenue bonds payable solely from revenues of enterprise funds, general obligation bonds payable solely from property tax revenues, notes payable from gross receipts tax revenues, notes payable from lodger's tax revenues, notes payable from revenues of enterprise funds, capital leases, and compensated absences payable.

During FY 2009-2010 the City issued no new governmental revenue or general obligation bonds. On December 15, 2009, the City issued the 2009A and 2009B Water Utility System/Capital Outlay Gross Receipts Tax Revenue Bonds to be used to fund a portion of the City's share of the regional Buckman Direct Diversion Project. The 2009A water bonds were issued as tax exempt bonds in the par amount of \$18,080,000, maturing June 2027, and carrying interest rates from 2% to 5%. The 2009B water bonds were issued as taxable direct-

**City of Santa Fe, New Mexico**  
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payment Build America Bonds (BABs) bonds, in the par amount of \$41,890,000, maturing June 2039, and carrying interest rates from 6.0% to 6.2%. The City receives a Federal subsidy under this program of 35% of the interest cost. Subsidy funds are received semi-annually by the pay agent/trustee and are used only for payments of debt service interest on these bonds.

Long-term debt of the component units consist of revenue bonds payable solely from the rental revenues in the Santa Fe Housing Development Corporation.

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

Purpose	Interest Rates	Amount
Governmental Activities	2.00 - 5.50%	\$ 78,660,000
Business - Type Activities	3.25 - 6.00%	202,545,000
		<b>\$ 281,205,000</b>

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

Years Ended June 30	Governmental Activities		Business - Type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 7,020,000	3,827,331	\$ 6,755,000	\$ 10,153,311
2012	7,350,000	3,478,144	7,110,000	9,880,024
2013	6,625,000	3,183,794	7,465,000	9,579,449
2014	6,850,000	2,851,606	7,755,000	9,247,911
2015	7,185,000	2,498,262	8,235,000	8,900,236
2016-2020	33,755,000	7,250,213	48,250,000	38,348,579
2021-2025	9,875,000	784,350	43,450,000	26,359,994
2026-2030	-	-	24,300,000	18,207,637
2031-2035	-	-	29,780,000	11,080,123
2036-2039	-	-	19,445,000	3,547,950
Total	<b>\$ 78,660,000</b>	<b>\$ 23,873,700</b>	<b>\$ 202,545,000</b>	<b>\$ 145,305,214</b>

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

**City of Santa Fe, New Mexico**  
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Years Ended June 30	Governmental Activities		Business - Type Activities	
	Principal	Interest	Principal	Interest
2011	750,000	799,458	\$ -	\$ -
2012	775,000	769,926	-	-
2013	805,000	740,301	-	-
2014	835,000	708,508	-	-
2015	865,000	674,508	-	-
2016-2020	4,880,000	2,808,738	-	-
2021-2025	6,075,000	1,645,486	-	-
2026-2030	4,415,000	301,458	-	-
2031-2035	-	-	-	-
2036-2039	-	-	-	-
	<b>\$ 19,400,000</b>	<b>\$ 8,448,383</b>	-	-

Notes payable – Primary Government

During fiscal year 2007-2008 the City secured two loans from NMFA to partially fund construction of a regional water system upgrade.

Note payable to NMFA issued on November 2, 2007, for the amount of \$200,000 at 0% interest with a maturity date of June 2027 in conjunction with a \$1,800,000 grant, to partially fund construction of the Buckman Direct Diversion Water Project. Per the joint powers agreement between the City of Santa Fe and the County of Santa Fe governing the Buckman Direct Diversion Project, the City is responsible for 50% of the loan.

Note payable to NMFA issued on May 16, 2008, for the amount of \$15,150,000 at 2.00% interest with a maturity date of June 2029 from the Drinking Water State Revolving Loan Fund, to partially fund construction of the Buckman Direct Diversion Water Project. The Drinking Water loan is recognized as an intergovernmental payable as funds are drawn down.

During fiscal year 2008-2009 the City secured two additional NMFA loans to partially fund construction of water system upgrades, including the Buckman Direct Diversion Water Project.

Note payable to NMFA issued on March 27, 2009, for the amount of \$800,000 at 0% interest with a maturity date of June 2029, in conjunction with a \$3,200,000 grant, to partially fund construction of the Buckman Direct Diversion Water Project. Per the joint powers agreement between the City of Santa Fe and the county of Santa Fe governing this project, the City is responsible for 50% of the loan.

Note payable to the NMFA issued June 12, 2009, for the amount of \$400,000 at 0% interest with a maturity date of June 2029, in conjunction with a \$1,609,000 grant, to partially fund an upgrade of the Canyon Road Treatment Plant. Under terms of the loan, since no program funds were drawn to reimburse costs prior to the end of the fiscal year, it was not included in long term debt until FY 2009-2010.

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During fiscal year 2009-2010 the City secured two additional loans from NMFA for a water conservation program and additional upgrades to the Canyon Road Treatment Plant.

Note payable to NMFA issued May 7, 2010, for the amount of \$800,000 at 0% interest with a maturity date of June 2030, in conjunction with a \$3,200,000 grant, to partially fund an upgrade of the Canyon Road Treatment Plant.

Note payable to NMFA issued June 4, 2010, for the amount of \$127,500 at 1.0% interest with a maturity date of June 2030, in conjunction with a \$297,500 grant, to partially fund a water conservation program.

The following represents the status of these loans as of June 30, 2010.

Buckman Loan (#SANTAFE16)	\$	74,903
Drinking Water Loan (#SANTAFEDW-2)		14,526,787
Buckman Loan (#SANTAFE19)		372,254
Canyon Rd Treatment Plant (#SANTAFEWPF 3)		380,472
Canyon Rd Treatment Plant (#SANTAFEWPF 4)		800,000
Water Conservation (#SANTAFE23)		127,500
Total Notes Payable	\$	<u>16,281,916</u>
Less: Current Portion		<u>(749,573)</u>
Total Long Term Notes Payable		15,532,343
Less: Cash in Trust		<u>(7)</u>
Total LT Notes Payable Less Cash in Trust	\$	<u><u>15,532,336</u></u>

During fiscal year 2004-2005 the City secured two loans from NMFA for the purpose of infrastructure improvements to the Railyard property. The loans are to be repaid from rental revenues of the Railyard Development Enterprise fund.

Note payable to NMFA issued on September 24, 2004 for the amount of \$579,025 at 5.10% interest with a maturity date of May 2024 for infrastructure improvements related to electric, gas and telecommunication utilities at the Railyard Redevelopment Project property.

Note payable to NMFA issued on September 24, 2004 for the amount of \$5,107,652 at 3.987% interest with a maturity date of May 2024 for infrastructure improvements related to water and waste water, streets, drainage and traffic at the Railyard Redevelopment Project property.

During fiscal year 2006-2007 the City secured two additional loans from NMFA for the purpose of infrastructure improvements to the Railyard property. The loans are to be repaid from rental revenues of the Railyard Development Enterprise Fund.

**City of Santa Fe, New Mexico**  
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Note payable to NMFA issued on October 20, 2006 for the amount of \$7,642,231 at 4.273% interest with a maturity date of October 2026 for infrastructure improvements related to electric, gas and telecommunications utilities at the Railyard Development Project property.

Note payable to the NMFA issued on October 20, 2006 for the amount of \$892,227 at 5.985% interest with a maturity date of October 2026 for infrastructure improvements related to water and waste water, streets, drainage and traffic at the Railyard Development Project property.

The following represents the status as of June 30, 2010.

Railyard Infrastructure #7	\$ 4,493,002
Railyard Infrastructure #8	515,600
Railyard Infrastructure #15A	7,321,292
Railyard Infrastructure #15B	860,083
Total Notes Payable	<u>13,189,977</u>
Less: Current Portion	<u>(647,043)</u>
Total Long Term Notes Payable	\$ 12,542,934
Less: Cash in Trust	<u>(481,972)</u>
Total LT Notes Payable Less Cash In Trust	<u><u>12,060,962</u></u>

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

Note payable to NMFA issued September 14, 2009, for the amount of \$29,615,000 at a 6.889% average interest with a maturity date of June 2036, for the purpose of purchasing the facilities of the College of Santa Fe.

The following represents the status as of June 30, 2010.

**City of Santa Fe, New Mexico**  
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College of Santa Fe	\$	29,615,000
Total Notes Payable		29,615,000
Less: Current Portion		(615,000)
Total Long Term Notes Payable	\$	29,000,000
Less: Cash in Trust		(10)
Total LT Notes Payable Less Cash In Trust		28,999,990

During fiscal year 2004-2005 a loan from NMFA was secured for the purpose of purchasing fire vehicles. The loan is to be repaid from State Fire Fund grant revenues utilizing a debt service fund held by NMFA.

Note payable to NMFA issued on January 14, 2005 for the amount of \$1,166,667 at 2.427% interest with a maturity date of May 2013 for the purpose of fire engines.

During fiscal year 2005-2006 the City secured an additional loan from NMFA for the purpose of constructing a parking garage on the Railyard property. The Railyard Parking Garage loan will be repaid from parking revenues and a 1/16<sup>th</sup> gross receipts tax.

Note payable to NMFA issued on March 28, 2006 for the amount of \$14,986,587 at 4.326% interest with a maturity date of June 12, 2036 for the construction of a parking garage on the Railyard property.

During fiscal year 2008-2009 the City secured an additional loan from NMFA for the purpose of purchasing land for City facilities. The Land Acquisition loan will be repaid from the ½% gross receipts tax.

Note payable to NMFA issued August 1, 2008, for the amount of \$3,610,000 at 4.316% interest with a maturity date of June 1, 2028 for the purchase of land for City purposes.

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

On July 1, 2004 the City's Economic Development Department entered into a loan agreement with the U.S. Department of Housing and Urban Development for the amount of \$300,000 at 3.10% with a maturity date of August 2024. The purpose of the loan is to finance a business incubator.

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On January 5, 2010, the City purchased a tract of land from the Santa Fe Public Schools for \$840,000. This was funded with a \$280,000 downpayment and a two year real estate loan agreement requiring annual principal payments of \$280,000 with annual interest at 1.78%. The balance outstanding on the loan was \$560,000 as of June 30, 2010

The following represents the status of the NMFA Fire Vehicle, Parking Garage and Land Acquisition loans, the HUD loan, and the Santa Fe Public Schools loan as of June 30, 2010.

Fire Vehicles	\$ 462,619
Parking Garage Loan	14,986,587
Land Acquisition	3,385,298
HUD Section 108	261,000
Santa Fe Public Schools	560,000
Total Notes Payable	<u>\$ 19,655,504</u>
Less: Current Portion	<u>(919,213)</u>
Total Long Term Notes Payable	<u>\$ 18,736,291</u>
Less: Cash in Trust	<u>(184,136)</u>
	<u><u>\$ 18,552,155</u></u>

The debt service requirements to maturity for long term notes payable at June 30, 2010 are as follows:

Years Ended June 30	Governmental Activities		Business - Type Activities	
	Principal	Interest	Principal	Interest
2011	919,213	776,879	2,011,626	2,393,391
2012	938,688	752,830	2,038,632	2,349,417
2013	680,127	726,825	2,092,147	2,300,009
2014	539,867	704,160	2,149,476	2,242,309
2015	559,223	684,850	2,211,858	2,180,403
2016-2020	3,129,569	3,092,032	12,195,314	9,784,522
2021-2025	3,804,981	2,412,778	14,264,387	7,402,071
2026-2030	4,052,810	1,559,188	11,218,453	4,720,996
2031-2035	4,097,703	733,721	8,810,000	2,303,261
2036-2039	933,323	39,573	2,095,000	127,166
Total	<u>\$ 19,655,504</u>	<u>\$ 11,482,836</u>	<u>\$ 59,086,893</u>	<u>\$ 35,803,545</u>

Advance and current refunding

No advance or current refundings were undertaken in Fiscal Year 2009-2010.

Changes in long-term liabilities

The changes in long-term debt during the year ended June 30, 2010, are as follows:

**City of Santa Fe, New Mexico**  
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	Outstanding July 1, 2009	Additions	Reductions	Outstanding June 30, 2010	Due Within One Year
<b>Governmental Activities:</b>					
Revenue Bonds Payable	\$ 85,435,000		\$ (6,775,000)	\$ 78,660,000	\$ 7,020,000
General Obligation Bonds Payable	20,000,000	-	(600,000)	19,400,000	750,000
New Mexico Finance Authority Loans	19,114,530	-	(280,026)	18,834,504	621,213
Santa Fe Public School Loan	-	560,000	-	560,000	280,000
HUD Section 108	279,000	-	(18,000)	261,000	18,000
Add. Deferred Amount (premium/discount)	3,831,160	-	(524,776)	3,306,384	501,583
Compensated Absences	8,003,429	2,790,395	(4,120,681)	6,673,143	540,441
Capital Leases	261,058	-	(261,058)	-	-
Governmental Activity	<b>136,924,177</b>	<b>3,350,395</b>	<b>(12,579,541)</b>	<b>127,695,031</b>	<b>9,731,237</b>
<b>Business - Type Activities:</b>					
Convention Center Bonds	49,610,000	-	(1,010,000)	48,600,000	1,035,000
Water Revenue Bonds	47,685,000	59,970,000	(2,345,000)	105,310,000	2,845,000
Wastewater Revenue Bonds	25,775,000	-	(1,240,000)	24,535,000	1,365,000
Solid Waste Revenue Bonds	13,145,000	-	(690,000)	12,455,000	720,000
Municipal Recreation Complex Revenue	12,405,000	-	(760,000)	11,645,000	790,000
New Mexico Finance Authority Loans	29,050,052	31,342,500	(1,305,659)	59,086,893	2,011,626
Add. Deferred Amount (premium/discount)	5,236,999	651,416	(297,590)	5,590,825	307,663
Compensated Absences	2,242,127	727,411	(560,532)	2,409,006	695,027
Business - Type Activity	<b>\$ 185,149,178</b>	<b>\$ 92,691,327</b>	<b>\$ (8,208,781)</b>	<b>\$ 269,631,724</b>	<b>\$ 9,769,316</b>

Internal Service Funds predominantly serve governmental funds. Accordingly, long-term liabilities for these are included as part of the above totals for governmental activities. At year end, \$85,918 of internal service funds compensated absences is included in the above amounts. The amount \$540,441 of compensated absences, due within sixty days after year end is recorded within current liabilities in the governmental funds balance sheet statement, which is based on employees terminations and retirements. This is also the amount of compensated absences due within one year displayed as “long-term liabilities, due within one year” for the governmental activities on the government-wide statement of net assets

**Notes and Bonds Payable – Component Unit**

On December 9, 1993, the Santa Fe Housing Development Corporation (SFHDC) issued the SFHDC Multi-Family Mortgage Revenue Refunding Bond Series 1993A, issue amount of \$3,365,000 at 5.5% to 6% interest with a maturity date of February 1, 2018. These bonds were paid off during the year by acquiring a commercial mortgage on the property. The total principal and interest paid for the current year was \$1,955,000 and \$79,945, respectively.

**City of Santa Fe, New Mexico**  
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The Housing Authority entered into a note , a commercial mortgage with a bank , for the purpose acquiring the Cielo Azul property for \$700,000 at 6% interest with a maturity date of October 2034 secured by property.

The Housing Authority assumed a \$109,620 note with MFA upon being granted ownership of Region II Vouchers. The note has an interest rate of 5.0% with a maturity date of December 2021.

The Housing Authority assumed a \$390,000 note with MFA, for the purpose of rehabilitating or constructing La Resolana units. The note has an interest rate of 3.0% with a maturity date of June 17, 2028.

The Housing Authority entered into a commercial mortgage with a Los Alamos National Bank for purpose of paying off the SFHDC 1993 Bonds and the \$200,00 commercial renovation for \$2,780,000 at 4.25% interest with a maturity date of October 15, 2024 and has monthly payments of \$13,676.

The Housing Authority entered into a note with a Santa Fe church, for the purpose of acquiring the Cielo Azul property for \$500,000 at 3% interest. No payment of interest or principal shall be required until October 2009, secured by property. The Authority accrued a total of \$71,250 of interest for the note. The total payoff required by the Church was \$546,050. The difference in interest of \$25,200 was applied against the current year interest expense.

The Housing authority entered into an agreement with First Community Bank in the form of a note payable on July 1, 2009 in the original principal amount of \$500,000 for the purpose of additional working capital. The note has an interest rate of 3.55% and matures on September 29, 2010. The principal amount of the note is secured by the assignment of a deposit account in the form of a certificate of deposit.

Bank note (Housing Authority)	\$ 500,000
Due to MFA (SFHDC)	373,096
Commercial mortgage (SFHDC)	2,748,870
Commercial mortgage (Cielo Azul)	649,948
Casas Buena Ventura note (Cielos Azul)	200,000
Due to MFA (Region II)	97,170
Total debt	<u>4,569,084</u>
Current portion	<u>(781,036)</u>
<b>Total Long-term debt</b>	<b><u><u>\$ 3,788,048</u></u></b>

Total aggregate maturing of the notes payable debt at June 30, 2010, is as follows:

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2010**

Years Ended June 30,	Commercial Mortgage		Commercial Mortgage		FSB Note		Casas Note	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	11,596	38,770	48,217	115,895	500,000	-	200,000	-
2012	12,311	38,055	50,307	113,805	-	-	-	-
2013	13,070	37,296	52,487	111,625	-	-	-	-
2014	13,876	36,490	54,762	109,350	-	-	-	-
2015	14,732	35,634	57,135	106,977	-	-	-	-
2016-2020	88,464	163,365	325,032	495,528	-	-	-	-
2021-2025	119,325	132,504	2,160,930	367,943	-	-	-	-
2026-2030	160,952	90,877	-	-	-	-	-	-
2031-2035	215,622	34,729	-	-	-	-	-	-
Total	\$ 649,948	\$ 607,720	\$ 2,748,870	\$ 1,421,123	\$ 500,000	\$ -	\$ 200,000	\$ -

Years Ended June 30,	MFA Note 1		MFA Note 2		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 6,408	\$ 4,708	\$ 14,815	\$ 11,141	\$ 781,036	\$ 170,514
2012	6,736	4,380	15,270	10,686	84,624	166,926
2013	7,081	4,036	15,739	10,217	88,377	163,174
2014	7,443	3,673	16,222	9,734	92,303	159,247
2015	7,824	3,292	16,720	9,236	96,411	155,139
2016-2020	45,549	10,032	91,626	38,154	550,671	707,079
2021-2025	16,129	642	106,585	23,195	2,402,969	524,284
2026-2030	-	-	96,119	6,158	257,071	97,035
2031-2035	-	-	-	-	215,622	34,729
Total	\$ 97,170	\$ 30,763	\$ 373,096	\$ 118,521	\$ 4,569,084	\$ 2,178,127

Defeased Debt

In prior years, the City defeased certain revenue and other bonds by placing the proceeds of the new bonds in a irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. As of June 30, 2010, there were no bonds outstanding considered defeased.

**I. Segment information**

Segment information reflects an activity reported as an enterprise fund or another stand-alone entity for which one or more revenue bonds or other revenue-backed debt instruments are outstanding based on a specific identifiable revenue stream pledged in support of the bonds. The City has five such enterprise funds: Waste Water Management, Water Management, Santa Fe Convention Center, Solid Waste Management and the Municipal Recreation Complex (MRC). Waste Water Management, Water Management, Solid Waste

**City of Santa Fe, New Mexico**  
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Management, and Santa Fe Convention Center are all reported as major funds. Financial segment information for the non-major enterprise fund for Fiscal Year Ended June 30, 2010 is as follows:

**Condensed Statement of Net Assets June 30, 2010**

	<b>MRC</b>
<b>Assets:</b>	
Current Assets	\$ 903,739
Capital Assets	4,689,998
Total Assets	5,593,737
<b>Liabilities:</b>	
Current Liabilities	945,535
Noncurrent Liabilities	11,104,760
Total Liabilities	12,050,295
<b>Net Assets:</b>	
Invested in Capital Assets Net of Related Debt	(7,196,999)
Restricted	107,536
Unrestricted	632,905
Total Net Assets	<b>\$ (6,456,558)</b>

**Condensed Statement of Revenues, Expenses, and changes in Net Assets June 30, 2010**

	<b>MRC</b>
User Fees	\$ 1,100,296
Depreciation	(235,982)
Other Operating Expense	(1,057,986)
Operating Income	(193,672)
<b>Nonoperating Revenues (expenses):</b>	
Investment Earnings	5,138
Intergovernmental	464,581
Interest Expense	(526,553)
Other Nonoperating Revenue/(Expenses)	17,286
Operating Transfers In/Out	1,990,996
Total Nonoperating Revenues (expenses)	1,951,448
Change in Net Assets	1,757,776
Beginning Net Assets	(8,214,334)
Ending Net Assets	<b>\$ (6,456,558)</b>

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2010**

**Condensed Statement of Cash Flows June 30, 2010**

	<b>MRC</b>
Net Cash Provided (used) by:	
Operating Activities	\$ (101,843)
Noncapital Financing Activities	2,545,450
Capital and Related Financing Activities	(1,964,903)
Investing Activities	2,881
Net Increase (decrease)	481,585
Beginning Cash and Cash Equivalents	-
Ending Cash and Cash Equivalents	<b>\$ 481,585</b>

**Discretely Presented Component Unit**

**Condensed Statement of Net Assets June 30, 2010**

	<b>Housing Dev. Corp.</b>	<b>Cielo Azul</b>	<b>Region II</b>	<b>Total</b>
Assets:				
Current Assets	\$ 3,222,875	\$ 174,080	\$ 417,632	\$ 3,814,587
Capital Assets	1,283,180	1,340,002	160,558	2,783,740
Total Assets	4,506,055	1,514,082	578,190	6,598,327
Liabilities:				
Current Liabilities	589,155	211,621	422,664	1,223,440
Noncurrent Liabilities	3,058,934	1,138,352	90,762	4,288,048
Total Liabilities	3,648,089	1,349,973	513,426	5,511,488
Net Assets:				
Unrestricted	2,696,752	(325,945)	1,376	2,372,183
Invested In Capital Assets, net of related Debt	(1,838,786)	490,054	63,388	(1,285,344)
Total Net Assets	<b>\$ 857,966</b>	<b>\$ 164,109</b>	<b>\$ 64,764</b>	<b>\$ 1,086,839</b>

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2010**

**Condensed Statement of Revenues, Expenses, and changes in Net Assets June 30, 2010**

	<b>Housing Dev. Corp.</b>	<b>Cielo Azul</b>	<b>Region II</b>	<b>Total</b>
Operating Revenues	\$ 789,632	\$ 235,626	\$ 12,219	\$ 1,037,477
Operating Expenses	(657,330)	(122,303)	(15,708)	(795,341)
Operating Income (loss)	132,302	113,323	(3,489)	242,136
Nonoperating Revenues (expenses)	(152,367)	36,821	(3,568)	(119,114)
Capital Contributions				
Change in Net Assets	(20,065)	150,144	(7,057)	123,022
Beginning Net Assets (deficit)	878,031	13,965	71,821	963,817
Ending Net Assets	<b>\$ 857,966</b>	<b>\$ 164,109</b>	<b>\$ 64,764</b>	<b>\$ 1,086,839</b>

**Condensed Statement of Cash Flows June 30, 2010**

	<b>Housing Dev. Corp.</b>	<b>Cielo Azul</b>	<b>Region II</b>	<b>Total</b>
Net Cash Provided (used) by:				
Operating Activities	\$ (66,569)	\$ 154,147	\$ 4,172	\$ 91,750
Capital and Related Financing Activities	-	-	-	-
Non Capital Financing Activities	318,050	(350,162)	(11,086)	(43,198)
Investing Activities	18,404	4,733	1,747	24,884
Net Increase (decrease)	269,885	(191,282)	(5,167)	73,436
Beginning Cash and Cash Equivalents	2,060,778	330,684	382,984	2,774,446
Ending Cash and Cash Equivalents	<b>\$ 2,330,663</b>	<b>\$ 139,402</b>	<b>\$ 377,817</b>	<b>\$ 2,847,882</b>

**V. Other information**

**A. Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries various insurance. The City administers its insurance coverage through the Risk Management Office. The Risk Management Fund, Santa Fe Health Fund, Worker's Compensation Fund, and Retiree Health Care Fund are reported as Internal Service funds. Premiums are paid into the funds by all other funds and available to pay claims, claim reserves, and administrative costs of the programs. The City purchases commercial insurance for claims in excess of coverage provided by the funds and for other risks of loss. The City has had no significant reduction in insurance coverage from the prior year and, as of June 30, 2010; such inter-fund premiums did not exceed reimbursable expenditures.

The Risk Management Fund accounts for general liability, auto liability, public official errors and omissions and law enforcement liability through independent conventional insurance carriers. The City is self-insured for the first \$100,000 per public official errors and

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2010**

omissions and the first \$50,000 for general and auto liability claims and law enforcement liability claims.

The Santa Fe Health Fund accounts for the self-insured program for employee health and major medical benefits. Claims are handled by a professional third-party claims administrator. The City maintains specific stop loss coverage for individual claims in excess of \$200,000 and aggregate coverage of cumulative claims in excess of 125% of expected claims.

The Workers' Compensation Fund accounts for the self-insured program and for worker's compensation coverage. Claims are handled by a professional, third-party claims administrator. The City maintains specific stop loss coverage for individual claims in excess of \$350,000 with a \$1,000,000 statutory limit.

The Retiree Health Care Fund accounts for the City's employer and employee contributions to the New Mexico Retiree Health Care Authority (NMRHCA). The Retiree Health Care Authority provides eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance. The City became a participating employer with the New Mexico Retiree Health Care Authority on July 1, 2005. The City is required to contribute 1.3% of total payroll, and active employees contribute .65% of their salary. (Also see Note E. Other post employment benefits)

Liabilities of the funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage award. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimated. An excess coverage insurance policy covers individual claims in various levels. Settlements have not exceeded coverages for each of the past three fiscal years.

Union Sick Leave Bank accounts for donations of leave from union employees to support other union employees in need of leave.

Changes in the balances of claims liabilities during the past two years are as follows:

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2010**

	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Payment</b>	<b>Balance at Fiscal Year End</b>
<b>2008 - 2009</b>				
Risk Management Fund	\$ 2,862,219	\$ 838,394	\$ 1,227,378	\$ 2,473,235
Santa Fe Health Fund	1,114,633	10,998,806	11,225,012	888,427
Workers' Compensation Fund	2,244,335	1,539,606	900,422	2,883,519
	<b>\$ 6,221,187</b>	<b>\$ 13,376,806</b>	<b>\$ 13,352,812</b>	<b>\$ 6,245,181</b>
<b>2009 - 2010</b>				
Risk Management Fund	\$ 2,473,235	\$ 744,785	\$ 1,061,575	\$ 2,156,445
Santa Fe Health Fund	888,427	12,008,250	12,447,417	449,260
Workers' Compensation Fund	2,883,519	2,005,451	1,059,293	3,829,677
Santa Fe Dental Fund	-	563,272	563,272	-
	<b>\$ 6,245,181</b>	<b>\$ 15,321,758</b>	<b>\$ 14,568,285</b>	<b>\$ 6,435,382</b>

**B. Related party transaction**

The Santa Fe Civic Housing Authority assisted in the establishment of the non-profit entities Casas de Buena Ventura and La Cienegita Elderly Housing Corporation. These entities maintain separate Boards. However, there are certain Housing Authority employees who sit on the Boards. The Housing Authority exercises no authority or control over these non-profit organizations. In addition, the individual contracted to maintain the records for the Housing Development Fund is related by marriage to the executive director. The contract was awarded via competitive bid by the past executive director.

The Housing Authority performs all accounting and administrative functions for La Cienegita Elderly Housing which was opened on October 18, 2000.

**C. Contingent liabilities**

The City receives significant financial assistance from federal and state sources in the form of grants and entitlements. The disbursements of the funds received are generally limited to specific compliance requirements as specified in the grant agreement. During the period under audit, the City also had its grants audited under the audit requirements of the Office of Management and Budgets Circular A-133 and the U. S. Department of Housing and Urban Development. The Federal agencies reserve the right to review the scope of the audit and conduct a follow-up review if deemed necessary. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable City fund. The City, however, believes that liabilities resulting from disallowed claims, if any, would not have a material effect on the City's financial position at June 30, 2010.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2010**

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

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

**D. Jointly governed organizations**

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

The Agency has its own financial statements as a separate entity, audited on an annual basis. The City serves as the fiscal agent. Completed financial statements for the Agency may be obtained at the Santa Fe Solid Waste Management Agency, 165 Caja Del Rio Road, Santa Fe, NM 87502- 6189.

Under a joint powers agreement for the Buckman Direct Diversion Project (BDD) dated January 11, 2005, the City of Santa Fe joined the County of Santa Fe to design and construct the BDD project in order to divert surface water from the Rio Grande River to the independent water systems of the City and County. The City and County each own 50% of the BDD project and have established a board to oversee the planning, procurement, financing, permitting, design, construction, operations and management of the BDD project. The BDD Board is comprised of two members of the governing body of the City of Santa Fe, two members of the Board of Santa Fe County Commissioners and one citizen member at large appointed by a majority vote of the four other members. The project is essentially complete as of December, 2010. First water delivery was approved to enter the Santa Fe region water systems as of January 2011 by the New Mexico Environment Department. The City of Santa Fe and Santa Fe County are responsible on an ongoing basis for financial and operating costs of the system. The City is a fiscal agent for the project through a project management and fiscal services agreement in effect through December 2015. Fiscal services include maintaining separate books and accounts of all transactions that relate to the project including third party transactions. Total estimated costs of the project are \$216.3 million. The City's share of construction costs are included in amounts reported as construction in progress in the City's Water Management Fund and total \$99,160,342 as of June 30, 2010. The BDD project has its own financial statements and is audited on an annual basis.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2010**

Completed financial statements for the BDD project may be obtained at the City of Santa Fe's Water Management Division, 801 West San Mateo Street, Santa Fe, NM 87505

**E. Post-employment benefits- State Retiree Health Care Plan**

Plan Description. The City contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post employment healthcare plan administered by The New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement ; or (2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority member who served at least four years..

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the post employment healthcare plan. The report and further information can be obtained in writing to the Retiree Health Care Authority at 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of the participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2010**

salary. In fiscal years ending June 30, 2011 through June 30, 2013 the contribution rates for employees and employers will rise as follows

<u>Fiscal year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

Also employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

The City's contributions to RHCA for the years ending June 30, 2010, 2009, and 2008 were \$809,730, \$821,765, and \$757,684, equal to the required contribution.

**F. Pension plan – Public Employers Retirement Association**

**Plan Description.** Substantially all of the City's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multi-employer defined benefit retirement plan. The plan provides retirement, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, New Mexico 87504 – 2123.

**Funding Policy.** State statutes require that plan members who are police officers contribute 16.30% of their gross salary, fire fighters contribute 16.20% and regular employees contribute 13.15%. The City is required by state statute to contribute as follows:

- 1) 21.25% of fire fighters' salaries, however, as an employee benefit, the City elected to contribute 33.40% to the fire fighters' 4.050% contribution.
- 2) 9.15% of regular employee salaries, however, as an employee benefit, the City elected to adopt the 75% pick-up provision allowed by state statute thereby contributing 19.0125% to the regular employees' 3.2875% contribution.
- 3) 18.5% of police officer's salaries, however, as an employee benefit, the City elected to contribute 26.65% to the police officers' 8.15% contribution.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2010**

The contribution requirements of plan members and the City are established in State statute under Chapter 10 Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for the years ending June 30, 2010 2009, 2008, were \$13,628,516, \$13,456,692, \$11,314,609, equal to the required contribution.

**G. Conduit debt obligations**

The City of Santa Fe has issued Industrial Revenue Bonds to provide financial assistance to private-sector and not-for-profit entities for the acquisition and construction of industrial, commercial, educational, and health care facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received from the entities involved. Upon repayment of the bonds, ownership of the acquired facilities transfers to the entity served by the bond issuance. Neither the City or the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, there were four series of Industrial Revenue Bonds authorized and outstanding, of which two were issued prior to July 1, 1995. No new IRBs were issued in FY 2009-2010.

The City has issued Mortgage Revenue bonds to enable the City to provide a program to assist purchasers in qualifying for home ownership and provide lower mortgage interest rates. Local banks and mortgagors participate in the program. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the City or the State, or any political subdivision, thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2010, there were three series of Mortgage Revenue Bonds outstanding: 1995A, 1995B1 and 1995B2. The aggregate principal amount payable for these issues was \$30,500,000. The first series, Single Family Mortgage Revenue Bonds – FNMA and GNMA Mortgage Backed Securities Program – Series 1995A – with an outstanding principal amount payable of \$1,700,000, is for the purpose of acquiring single pool guaranteed mortgage pass-through securities guaranteed by the Federal National Mortgage Association. Series 1995B1 and 1995B2, Single Family Mortgage with outstanding amounts payable of \$775,000 and \$2,472,700 respectively, are for the purpose of financing a single family mortgage loan program with the City.

**H. Subsequent Events**

As of January 1, 2011, an 8.2% water rate increase was implemented. This was the second increase of five that began in March 2009. These increases are to finance the City's ten-year water plan, the largest component of which is the regional \$200 million Buckman Direct Diversion Water Project. Both the plan and the water rate will be re-evaluated regularly.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2010**

The City of Santa Fe Water Division has taken out several additional loans with the New Mexico Finance Authority for a variety of water projects. While some of these loans were closed during FY 09-10, under the terms of the loans since no program funds were drawn to reimburse costs prior to fiscal year end, they were not included in long term debt until FY 2010-2011.

- a. On January 15, 2010, the City closed on a Drinking Water State Revolving Loan Fund loan in the amount of \$141,400 with a 2% interest rate including the administrative fee. The loan will cover costs for adding a photovoltaic system to the Buckman Direct Diversion treatment plant electrical system. (#SANTAFE21)
- b. On April 2, 2010, the City closed on a Drinking Water State Revolving Loan Fund agreement in the amount of \$161,807 with a 2% interest rate including the administrative fee, maturing 6/1/2031. This is a regular drinking water loan to be used to cover the costs of upgrades to the City's water utility system including a micro-hydroelectric generation project. (#SANTAFE24)
- c. On May 7, 2010, the City closed on a Water Trust Board grant/loan in the amount of \$1,324,460, consisting of a loan of \$264,892 with a 0% interest rate and a .25% administrative fee, and a grant of \$1,059,568. These proceeds will be used for a watershed management project. (#SANTAFEWPF5)
- d. On June 4, 2010, the City closed on a Drinking Water State Revolving Loan Fund and subsidy agreement in the amount of \$702,590 with a 1% interest rate including the administrative fee, maturing 6/1/2040. The City will pay a loan of \$210,777 and accept a subsidy of \$491,813. The loan will be used to further fund the micro-hydroelectric power generation project. (#SANTAFE22)
- e. On August 13, 2010, the City closed on a Drinking Water State Revolving Loan Fund agreement in the amount of \$250,000 with a 2% interest rate including the administrative fee. Funds will be used for improved instrumentation of pumping sites to optimize energy usage by the water utility system.(SANTAFEDW-3)
- f. On May 6, 2011, the City closed on a Water Trust Board grant/loan in the amount of \$4,000,000 consisting of a loan of \$800,000 with a 0% interest rate and a .25% administrative fee, and a grant of \$3,200,000. These proceeds will be used for partial funding of the Buckman Direct Diversion Water Project. (#SANTAFEWPF6)

On August 30, 2010, the City exercised the optional redemption of the Single Family Mortgage Revenue Bonds Series 1995A, Series 1995B-1 and Series 1995B-2. This action redeemed the outstanding \$1,700,000 of the 1995A bonds, \$775,000 of the 1995B-1 bonds, and \$2,472,700 of the 1995B-2 bonds.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2010**

On November 1, 2010, the City issued the 2010 General Obligation bonds, the second part of the general obligation bonds approved in 2008 by the voters. This was a \$10,300,000 issue designated solely for parks.

On December 14, 2010, the City closed on both the 2010A Gross Receipts Tax Refunding Revenue Bonds and 2010B Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds. The 2010A bonds, maturing 6/1/2015, were issued in the amount of \$15,005,000 and refunded the 2002 GRT bonds. The 2010A bonds, maturing in 6/1/2023, were issued in the amount of \$10,490,000 and refunded two New Mexico Finance Authority loans issued for the railyard development.

The ongoing recession in both the general and local economy continues to adversely affect the City's gross receipts tax, lodger's tax, interest earnings, and certain other revenue categories during periods subsequent to June 30, 2010. City management continues to respond by closely monitoring and adjusting the City's budget, with project and policy adjustments, and with regular review of future plans and budgets. During FY 10-11 the City's freezing of vacant positions and tightening of the budget allowed the avoidance of layoffs, facility closures and cuts in service. The recently passed budget for FY 11-12 includes a variety of revenue and expenditure budget controls and decision points that are anticipated to allow the City to continue to avoid such disruptions. Current economic conditions remain volatile, difficult to predict and subject to ongoing changes which may affect the current financial condition and results of operations in the future.

**I. New Pronouncements**

In June of 2007 the Governmental Accounting Standards Board issued statement number 51 which is effective for periods beginning after June 15, 2009. The objective of this statement is to establish accounting and financial reporting requirements for intangible assets and reduce inconsistencies in the areas of recognition, initial measurement, and amortization, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The City adopted this statement for fiscal year ending June 30, 2010. The effect of this statement was not material to the City's financial statement for the year ended June 30, 2010

In February of 2009 the Governmental Accounting Standards Board issued statement number 54 which is effective for periods beginning after June 15th 2010. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The City will adopt this statement for fiscal year ending June 30, 2011. The City is considering the effects of these new standards on its financial reporting for future periods.

## **Supplementary Information**

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## **Nonmajor Governmental Funds Special Revenue Funds**

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Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

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***Capital Equipment Reserve*** – to account for proceeds from the sale of City owned assets and for transfers for contingent purposes. Council Directive

***Franchise Fee*** – to account for proceeds from the franchise fee collected from Comcast.

***Economic Development*** – to account for funds designated to promote business in Santa Fe. Section 5-10-1 to 13 NMSA 1978

***Lodgers' Tax Fund*** – to account for taxes raised from the special Lodgers' Tax per Ordinance No. 1969-13 and 1987-45. Revenues are utilized for promotion of tourist development, advertising and future improvements to the convention center. Section 3-38-13 to 24 NMSA 1978

***Santa Fe Business Incubator*** – to account for New Mexico Severance Tax bond proceeds to be utilized for promotion of economic development. Section 5-10-1 to 13 NMSA 1978

***½% Gross Receipts Tax*** – to account for the City's portion of gross receipts taxes collected by the State of New Mexico per Ordinance no. 1981-45. These proceeds are used for various City functions, including debt service. Section 7-19-10 to 18 NMSA 1978

***Animal Services*** – to account for revenues related to regulation and control of animal services. Section 3-18-3 NMSA 1978

***Emergency Service Grants*** – to account for grants from the State of New Mexico. The grants are used to upgrade emergency medical services. Section 24-10A-1 to 9 NMSA 1978

***Environmental Services*** – to account for grant monies received for the purpose of clearing wild land areas within the City of Santa Fe to reduce fire danger. City Ord. 7-19D-10

***Law Enforcement Grants*** – to account for grant funds and service charges received for the purpose of developing public awareness on crime prevention, administering DWI programs and public safety related expenditures. Section 29-13-1 to 9 NMSA 1978

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

***Impact Fee Fund/Projects*** – to account for the collection of arterial impact fees and signalization impact fees collected by the City and the projects they fund. Section 5-8-4 NMSA 1978

***Transportation Grants*** – to account for grant funds received through the State of New Mexico for purposes of designing and implementing multi-modal transportation planning programs. Section 3-52-14 NMSA 1978

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

**Senior Citizen Grants** – to account for Federal and State grant funds used to operate programs providing social services, in-home services, meals, transportation, and companionship to senior citizens. Section 28-4-1 NMSA 1978

**Historic Preservation Grant** – to account for funding received through the State of New Mexico for the purpose of performing archaeological and historic surveys. Section 18-8-4 NMSA 1978

**Library Fund** – to account for a grant from the State of New Mexico for library development purposes. Section 18-2-5 NMSA 1978

**NEA Grants** – to account for grants from the National Endowment for the Arts Foundation administered by the Santa Fe Arts Commission.

**Plaza Use** – to account for funds appropriated for planning the use of the Plaza area. This fund was established by Resolution No. 1981-19.

**Public Facilities Purchase Fund** – to account for money donated by subdividers in lieu of land contributions per Ordinance No. 1982-11. State law requires the contributions from subdividers in order to enable the development of public facilities in new subdivisions.

**Quality of Life Project** – to account for a portion of gross receipts taxes collected by the State of New Mexico per Ordinance 1993-40. The proceeds are used to fund projects in the areas of recreation, open space acquisition, libraries and parks.

**Recreation Grants** – to account for 1) the portion of the cigarette tax received by the City and required by State law to be used for recreation purposes and 2) a U.S. Department of Agriculture grant used to provide lunches to children who are participants in the summer recreation program. Sections 7-1-6.11A and 7-12-15 & 16 NMSA 1978

**Land Development** – to account for the sale and construction of affordable housing. Associated with mortgage agreement.

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

**Resource Conservation**-to account for resources received through grant agreements associated with energy efficiency programs

**400<sup>th</sup> Anniversary**- To account for activities associated with the commemoration of the City's 400<sup>th</sup> year anniversary celebration

**CITY OF SANTA FE, NEW MEXICO**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2010**

	Special Revenue		Capital Projects		Totals
<b>Assets</b>					
Cash, investments and cash equivalents	15,479,917	\$	15,996,615	\$	31,476,532
Restricted cash, cash equivalents and investments:					
Restricted for endowment	250,000		-		250,000
Receivables:					
State-shared taxes	2,190,471		137,659		2,328,130
Grants	2,306,529		3,881,990		6,188,519
Interest	55,722		44,507		100,229
Other receivables (net of allowances)	2,735,556		-		2,735,556
Other assets	-		9,429		9,429
<b>Total assets</b>	<b>\$ 23,018,195</b>	<b>\$</b>	<b>20,070,200</b>	<b>\$</b>	<b>43,088,395</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 1,551,459	\$	1,394,930	\$	2,946,389
Compensated absences payable	-		-		-
Accrued wages payable	627,137		169,240		796,377
Due to other funds	664,505		365,330		1,029,835
Deferred unearned revenue	2,776,910		398,173		3,175,083
Deposits and escrows	590,178		135,000		725,178
Other liabilities	-		78,220		78,220
<b>Total current liabilities</b>	<b>6,210,189</b>		<b>2,540,893</b>		<b>8,751,082</b>
Fund balances:					
Reserved for endowment	250,000		-		250,000
Reserved	16,558,006		17,529,307		34,087,313
<b>Total fund balances</b>	<b>16,808,006</b>		<b>17,529,307</b>		<b>34,337,313</b>
<b>Total liabilities and fund balances</b>	<b>\$ 23,018,195</b>	<b>\$</b>	<b>20,070,200</b>	<b>\$</b>	<b>43,088,395</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2010**

	Special Revenue	Capital Projects	Totals
<b>Revenues:</b>			
Taxes:			
Gross receipts	\$ 12,361,324	\$ -	\$ 12,361,324
Cigarette	32,247	-	32,247
Motor	-	1,368,077	1,368,077
Lodgers	7,238,114	-	7,238,114
Property	2,299,988	-	2,299,988
Franchise	19,525	-	19,525
Intergovernmental revenues	8,984,495	6,217,097	15,201,592
Fees and charges for services	2,418,155	-	2,418,155
Sale of capital assets	215,451	-	215,451
Rents, royalties and concessions	86,725	-	86,725
Investment income	141,960	125,438	267,398
Land sales	-	-	-
Other revenues	383,710	159,565	543,275
<b>Total revenues</b>	<b>34,181,694</b>	<b>7,870,177</b>	<b>42,051,871</b>
<b>Expenditures:</b>			
Current:			
General government	5,538,535	1,006,075	6,544,610
Public safety	5,652,998	-	5,652,998
Public works	867,342	1,762,958	2,630,300
Community development	9,465,474	-	9,465,474
Culture and recreation	3,358,319	850,690	4,209,009
<b>Total current expenditures</b>	<b>24,882,668</b>	<b>3,619,723</b>	<b>28,502,391</b>
Capital outlay:			
General government	131,307	2,889,338	3,020,645
Public safety	1,850,016	-	1,850,016
Public works	268,546	7,609,400	7,877,946
Community development	297,382	553,006	850,388
Culture and recreation	327,232	6,552,132	6,879,364
<b>Total capital outlay expenditures</b>	<b>2,874,483</b>	<b>17,603,876</b>	<b>20,478,359</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>6,424,543</b>	<b>(13,353,422)</b>	<b>(6,928,879)</b>
<b>Other financing sources (uses):</b>			
Transfers in	9,514,343	3,590,428	13,104,771
Transfers out	(18,443,992)	(1,460,860)	(19,904,852)
<b>Total other financing sources (uses)</b>	<b>(8,929,649)</b>	<b>2,129,568</b>	<b>(6,800,081)</b>
<b>Net change in fund balances</b>	<b>(2,505,106)</b>	<b>(11,223,854)</b>	<b>(13,728,960)</b>
Fund balances, beginning of year	19,313,112	28,753,161	48,066,273
<b>Fund balances, end of year</b>	<b>\$ 16,808,006</b>	<b>\$ 17,529,307</b>	<b>\$ 34,337,313</b>

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**CITY OF SANTA FE, NEW MEXICO**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**Special Revenue**  
**June 30, 2010**

**Assets**

	Cash, Investments and Cash Equivalents	Taxes Receivable	Grants Receivable	Interest Receivable	Other Receivables	Due from Other Funds	Total Assets
<b>Primary Government:</b>							
<b>General Government:</b>							
Capital Equipment Reserve	\$ 7,631	\$ -	\$ -	\$ 46	\$ -	\$ -	\$ 7,677
Franchise Fee	-	4,832	-	-	-	-	4,832
Economic Development	1,230,415	-	8,000	4,478	72,210	-	1,315,103
Lodgers' Tax Fund	2,886,913	-	16,380	9,696	-	-	2,912,989
400th Anniversary	154	-	-	-	-	-	154
Santa Fe Business Incubator	32,127	-	-	116	-	-	32,243
1/2 % Gross Receipts Tax	309,505	1,846,970	-	395	-	-	2,156,870
<b>Total General Government</b>	<b>4,466,745</b>	<b>1,851,802</b>	<b>24,380</b>	<b>14,731</b>	<b>72,210</b>	<b>-</b>	<b>6,429,868</b>
<b>Public Safety:</b>							
Animal Services	90,115	-	-	335	-	-	90,450
Emergency Service Grants	1,387,327	14,737	227,874	4,884	-	-	1,634,822
Environmental Services	-	-	63,382	-	-	-	63,382
Law Enforcement Grants	2,895,153	320,110	323,555	8,268	-	-	3,547,086
<b>Total Public Safety</b>	<b>4,372,595</b>	<b>334,847</b>	<b>614,811</b>	<b>13,487</b>	<b>-</b>	<b>-</b>	<b>5,335,740</b>
<b>Public Works:</b>							
Resource Conservation	-	-	102,896	-	-	-	102,896
City Drainage Projects	478,517	-	-	1,735	146,486	-	626,738
Impact Fee Projects	2,249,842	-	-	8,219	-	-	2,258,061
Transportation Grants	140,615	-	195,746	796	-	-	337,157
<b>Total Public Works</b>	<b>2,868,974</b>	<b>-</b>	<b>298,642</b>	<b>10,750</b>	<b>146,486</b>	<b>-</b>	<b>3,324,852</b>
<b>Community Development:</b>							
Community Development Grants	443,245	-	496,833	3,328	-	-	943,406
Senior Citizen Grants	-	-	821,253	-	4,034	-	825,287
<b>Total Community Development</b>	<b>443,245</b>	<b>-</b>	<b>1,318,086</b>	<b>3,328</b>	<b>4,034</b>	<b>-</b>	<b>1,768,693</b>
<b>Culture and Recreation:</b>							
Historic Preservation Grant	104,319	-	-	331	-	-	104,650
Library	718,361	-	15,000	2,436	-	-	735,797
NEA Grants	-	-	21,957	-	-	-	21,957
Plaza Use	50,552	-	-	184	-	-	50,736
Public Facilities Purchase	54,877	-	-	207	-	-	55,084
Quality of Life Project	279,502	-	-	1,235	-	-	280,737
Recreation Grants	747,160	3,822	13,653	2,775	-	-	767,410
Land Development	1,498,578	-	-	5,787	2,512,826	-	4,017,191
Special Recreation Leagues	125,009	-	-	471	-	-	125,480
<b>Total Culture and Recreation</b>	<b>3,578,358</b>	<b>3,822</b>	<b>50,610</b>	<b>13,426</b>	<b>2,512,826</b>	<b>-</b>	<b>6,159,042</b>
<b>Totals - June 30, 2010</b>	<b>\$ 15,729,917</b>	<b>\$ 2,190,471</b>	<b>\$ 2,306,529</b>	<b>\$ 55,722</b>	<b>\$ 2,735,556</b>	<b>\$ -</b>	<b>\$ 23,018,195</b>

Liabilities							
Accounts Payable	Accrued Wages Payable	Due to Other Funds	Deferred Unearned Revenue	Deposits/ Escrows	Total Liabilities	Total Fund Balances	Total Liabilities and Fund Balances
\$ 774	\$ -	\$ -	\$ -	\$ -	\$ 774	\$ 6,903	\$ 7,677
-	-	2,725	-	-	2,725	2,107	4,832
64,699	4,023	-	74,775	397,468	540,965	774,139	1,315,104
499,276	64,350	-	-	6,975	570,601	2,342,388	2,912,989
-	-	-	-	-	-	154	154
-	-	-	-	-	-	32,243	32,243
-	-	-	-	-	-	2,156,869	2,156,869
564,749	68,373	2,725	74,775	404,443	1,115,065	5,314,803	6,429,868
994	-	-	-	-	994	89,456	90,450
102,442	86,737	-	-	-	189,179	1,445,644	1,634,823
6,996	13,081	43,239	-	-	63,316	67	63,383
350,458	90,835	-	189,309	-	630,602	2,916,483	3,547,085
460,890	190,653	43,239	189,309	-	884,091	4,451,650	5,335,741
22,320	-	80,576	-	-	102,896	-	102,896
19,699	25,309	-	-	-	45,008	581,729	626,737
2,106	-	-	-	-	2,106	2,255,955	2,258,061
6,901	18,513	-	-	-	25,414	311,742	337,156
51,026	43,822	80,576	-	-	175,424	3,149,426	3,324,850
218,735	6,926	-	-	185,735	411,396	532,010	943,406
1,484	151,035	249,060	-	-	401,579	423,709	825,288
220,219	157,961	249,060	-	185,735	812,975	955,719	1,768,694
405	-	-	-	-	405	104,245	104,650
28,660	32,327	-	-	-	60,987	674,810	735,797
13,551	-	8,905	-	-	22,456	(499)	21,957
1,153	-	-	-	-	1,153	49,583	50,736
-	-	-	-	-	-	55,084	55,084
8,599	-	-	-	-	8,599	272,138	280,737
163,193	134,001	-	-	-	297,194	470,216	767,410
37,200	-	280,000	2,512,826	-	2,830,026	1,187,165	4,017,191
1,814	-	-	-	-	1,814	123,666	125,480
254,575	166,328	288,905	2,512,826	-	3,222,634	2,936,408	6,159,042
<b>\$ 1,551,459</b>	<b>\$ 627,137</b>	<b>\$ 664,505</b>	<b>\$ 2,776,910</b>	<b>\$ 590,178</b>	<b>\$ 6,210,189</b>	<b>\$ 16,808,006</b>	<b>\$ 23,018,195</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Special Revenue Funds**  
**For the Year Ended June 30, 2010**

**Revenues**

	Taxes	Inter-Governmental Revenue	Fees and Charges for Services	Rents, Royalties and Concessions	Investment Income	Sale of Capital Assets/Land	Other	Total Revenue
<b>Primary Government:</b>								
<b>General Government:</b>								
Capital Equipment Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	27,477	\$ -	\$ 27,477
Franchise Fee	19,525	-	-	-	-	-	-	19,525
Economic Development	47,433	17,635	-	86,725	10,688	-	111,753	274,234
Lodger's Tax Fund	7,238,114	167,398	1,135	-	33,268	-	64,796	7,504,711
400th Anniversary	-	350,000	-	-	54	-	-	350,054
Santa Fe Business Incubator	-	2,387	-	-	261	-	-	2,648
1/2% Gross Receipts Tax	10,566,842	-	-	-	14,589	-	-	10,581,431
<b>Total General Government</b>	<b>17,871,914</b>	<b>537,420</b>	<b>1,135</b>	<b>86,725</b>	<b>58,860</b>	<b>27,477</b>	<b>176,549</b>	<b>18,760,080</b>
<b>Public Safety:</b>								
Animal Services	-	-	42,167	-	646	-	-	42,813
Emergency Service Grants	1,149,994	692,785	-	-	11,050	-	-	1,853,829
Environmental Services	-	63,383	-	-	-	-	-	63,383
Law Enforcement Grants	2,897,043	853,551	884,728	-	12,368	-	87,862	4,735,552
<b>Total Public Safety</b>	<b>4,047,037</b>	<b>1,609,719</b>	<b>926,895</b>	<b>-</b>	<b>24,064</b>	<b>-</b>	<b>87,862</b>	<b>6,695,577</b>
<b>Public Works:</b>								
Resource Conservation	-	104,897	-	-	-	-	-	104,897
City Drainage Projects	-	-	561,363	-	3,329	-	-	564,692
Impact Fee Projects	-	-	655,948	-	14,922	-	-	670,870
Transportation Grants	-	235,466	-	-	2,117	-	-	237,583
<b>Total Public Works</b>	<b>-</b>	<b>340,363</b>	<b>1,217,311</b>	<b>-</b>	<b>20,368</b>	<b>-</b>	<b>-</b>	<b>1,578,042</b>
<b>Community Development:</b>								
Community Development Gr	-	4,175,654	27,805	-	7,097	183,813	-	4,394,369
Senior Citizen Grants	-	2,108,164	110,100	-	-	2,553	13,995	2,234,812
<b>Total Community Developm</b>	<b>-</b>	<b>6,283,818</b>	<b>137,905</b>	<b>-</b>	<b>7,097</b>	<b>186,366</b>	<b>13,995</b>	<b>6,629,181</b>
<b>Culture and Recreation:</b>								
Historic Preservation Grant	-	-	9,040	-	740	-	-	9,780
Library	-	94,132	1,794	-	8,053	-	-	103,979
NEA Grants	-	84,870	-	-	-	-	9,642	94,512
Plaza Use	-	-	31,745	-	433	-	346	32,524
Public Facilities Purchase	-	-	-	-	473	-	-	473
Quality of Life Project	-	-	-	-	2,266	1,608	-	3,874
Recreation Grants	32,247	34,173	92,330	-	4,674	-	23,806	187,230
Land Development	-	-	-	-	13,853	-	-	13,853
Special Recreation Leagues	-	-	-	-	1,079	-	71,510	72,589
<b>Total Culture and Recreatio</b>	<b>32,247</b>	<b>213,175</b>	<b>134,909</b>	<b>-</b>	<b>31,571</b>	<b>1,608</b>	<b>105,304</b>	<b>518,814</b>
<b>Totals - June 30, 2010</b>	<b>\$ 21,951,198</b>	<b>\$ 8,984,495</b>	<b>\$ 2,418,155</b>	<b>\$ 86,725</b>	<b>\$ 141,960</b>	<b>\$ 215,451</b>	<b>\$ 383,710</b>	<b>\$ 34,181,694</b>

Expenditures			Other Financing Sources (Uses)			Fund Balance		
Current	Capital Outlay	Total Expenditures	Excess (Deficiency) of Revenues Over Expenditures	Transfers In	Transfers (Out)	Net change in Fund Balances	Beginning of Year	End of Year
\$ 28,869	\$ 5,537	\$ 34,406	\$ (6,929)	\$ -	\$ -	\$ (6,929)	\$ 13,832	\$ 6,903
11,766	-	11,766	7,759	-	(13,334)	(5,575)	7,682	2,107
1,120,876	523	1,121,399	(847,165)	315,273	(34,880)	(566,772)	1,340,911	774,139
4,027,124	122,861	4,149,985	3,354,726	94,560	(5,085,954)	(1,636,668)	3,979,056	2,342,388
349,900	-	349,900	154	-	-	154	-	154
-	2,386	2,386	262	-	-	262	31,981	32,243
-	-	-	10,581,431	309,629	(11,714,826)	(823,766)	2,980,635	2,156,869
5,538,535	131,307	5,669,842	13,090,238	719,462	(16,848,994)	(3,039,294)	8,354,097	5,314,803
7,162	22,538	29,700	13,113	-	-	13,113	76,343	89,456
2,288,321	791,927	3,080,248	(1,226,419)	1,327,066	(15,820)	84,827	1,360,817	1,445,644
63,407	-	63,407	(24)	-	-	(24)	91	67
3,294,108	1,035,551	4,329,659	405,893	1,168,962	(823,615)	751,240	2,165,243	2,916,483
5,652,998	1,850,016	7,503,014	(807,437)	2,496,028	(839,435)	849,156	3,602,494	4,451,650
56,433	48,464	104,897	-	-	-	-	-	-
364,745	-	364,745	199,947	197	-	200,144	381,585	581,729
81,586	164,495	246,081	424,789	250,000	(199,023)	475,766	1,780,189	2,255,955
364,578	55,587	420,165	(182,582)	53,005	-	(129,577)	441,319	311,742
867,342	268,546	1,135,888	442,154	303,202	(199,023)	546,333	2,603,093	3,149,426
5,321,772	197,495	5,519,267	(1,124,898)	860,509	(17,500)	(281,889)	813,899	532,010
4,143,702	99,867	4,243,589	(2,008,777)	1,977,665	-	(31,112)	454,821	423,709
9,465,474	297,382	9,762,856	(3,133,675)	2,838,174	(17,500)	(313,001)	1,268,720	955,719
450	-	450	9,330	-	-	9,330	94,915	104,245
1,015,581	30,268	1,045,849	(941,870)	935,746	-	(6,124)	680,934	674,810
132,747	-	132,747	(38,235)	39,300	-	1,065	(1,564)	(499)
23,160	-	23,160	9,364	-	-	9,364	40,219	49,583
-	-	-	473	-	-	473	54,611	55,084
180,782	15,340	196,122	(192,248)	685,689	(531,040)	(37,599)	309,737	272,138
1,696,132	1,624	1,697,756	(1,510,526)	1,496,742	-	(13,784)	484,000	470,216
253,590	280,000	533,590	(519,737)	-	-	(519,737)	1,706,902	1,187,165
55,877	-	55,877	16,712	-	(8,000)	8,712	114,954	123,666
3,358,319	327,232	3,685,551	(3,166,737)	3,157,477	(539,040)	(548,300)	3,484,708	2,936,408
<b>\$ 24,882,668</b>	<b>\$ 2,874,483</b>	<b>\$ 27,757,151</b>	<b>\$ 6,424,543</b>	<b>\$ 9,514,343</b>	<b>\$ (18,443,992)</b>	<b>\$ (2,505,106)</b>	<b>\$ 19,313,112</b>	<b>\$ 16,808,006</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Capital Equipment Reserve**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Investment income	\$ 5,336	\$ -	\$ -	\$ -
Total revenues	5,336	-	-	-
<b>Expenditures:</b>				
General government:				
Current	30,325	32,835	28,869	3,966
Capital outlay	22,849	24,343	5,537	18,806
Total expenditures	53,174	57,178	34,406	22,772
Excess (deficiency) of revenues over expenditures	(47,838)	(57,178)	(34,406)	22,772
Other financing sources (uses):				
Sale of capital assets	-	-	27,477	27,477
Total other financing sources (uses)	-	-	27,477	27,477
Net change in fund balance	(47,838)	(57,178)	(6,929)	50,249
Fund balance, beginning of year	13,832	13,832	13,832	-
<b>Fund balance, end of year</b>	<b>\$ (34,006)</b>	<b>\$ (43,346)</b>	<b>\$ 6,903</b>	<b>\$ 50,249</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Franchise Fee**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 20,000	\$ 20,000	\$ 19,525	\$ (475)
Total revenues	20,000	20,000	19,525	(475)
<b>Expenditures:</b>				
Public safety:				
Current	13,333	13,333	11,766	1,567
Total expenditures	13,333	13,333	11,766	1,567
Excess (deficiency) of revenues over expenditures	6,667	6,667	7,759	1,092
Other financing sources (uses):				
Transfers out	(6,667)	(13,334)	(13,334)	-
Total other financing sources (uses)	(6,667)	(13,334)	(13,334)	-
Net changes in fund balance	13,334	(6,667)	(5,575)	1,092
Fund balance, beginning of year	7,682	7,682	7,682	-
<b>Fund balance, end of year</b>	<b>\$ 21,016</b>	<b>\$ 1,015</b>	<b>\$ 2,107</b>	<b>\$ 1,092</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Economic Development**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ -	\$ 47,433	\$ 47,433	\$ -
Intergovernmental	9,500	9,500	17,635	8,135
Investment income	31,128	10,678	10,688	10
Rents, royalties and concessions	93,000	93,000	86,725	(6,275)
Other	-	-	111,753	111,753
Total revenues	133,628	160,611	274,234	113,623
<b>Expenditures:</b>				
General government:				
Current	531,024	1,489,217	1,120,876	368,341
Capital outlay	5,000	5,000	523	4,477
Total expenditures	536,024	1,494,217	1,121,399	372,818
Excess (deficiency) of revenues over expenditures	(402,396)	(1,333,606)	(847,165)	486,441
<b>Other financing sources (uses):</b>				
Transfers in	315,273	315,273	315,273	-
Transfers out	(67,495)	(34,880)	(34,880)	-
Total other financing sources (uses)	247,778	280,393	280,393	-
Net change in fund balance	(154,618)	(1,053,213)	(566,772)	486,441
Fund balance, beginning of year	1,340,911	1,340,911	1,340,911	-
<b>Fund balance, end of year</b>	<b>\$ 1,186,293</b>	<b>\$ 287,698</b>	<b>\$ 774,139</b>	<b>\$ 486,441</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Lodger's Tax Fund**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Taxes	\$ 8,093,533	\$ 7,299,050	\$ 7,238,114	\$ (60,936)
Intergovernmental	23,096	168,511	167,398	(1,113)
Fees and charges for service	500	500	1,135	635
Investment income	67,592	54,342	33,268	(21,074)
Other	65,000	65,000	64,796	(204)
Total revenues	8,249,721	7,587,403	7,504,711	(82,692)
<b>Expenditures:</b>				
General government:				
Current	3,680,084	4,836,947	4,027,124	809,823
Capital outlay	550	122,765	122,861	(96)
Total expenditures	3,680,634	4,959,712	4,149,985	809,727
Excess (deficiency) of revenues over expenditures	4,569,087	2,627,691	3,354,726	727,035
Other financing sources (uses):				
Transfers in	739,949	94,560	94,560	-
Transfers out	(6,849,962)	(5,085,954)	(5,085,954)	-
Total other financing sources (uses)	(6,110,013)	(4,991,394)	(4,991,394)	-
Net change in fund balance	(1,540,926)	(2,363,703)	(1,636,668)	727,035
Fund balance, beginning of year	3,979,056	3,979,056	3,979,056	-
<b>Fund balance, end of year</b>	<b>\$ 2,438,130</b>	<b>\$ 1,615,353</b>	<b>\$ 2,342,388</b>	<b>\$ 727,035</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**400th Anniversary**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 350,000	\$ 350,000	\$ -
Investment income	-	-	54	54
Total revenues	-	350,000	350,054	54
<b>Expenditures:</b>				
General government:				
Current	-	350,000	349,900	100
Total expenditures	-	350,000	349,900	100
Excess (deficiency) of revenues over expenditures	-	-	154	154
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	154	154
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 154</b>	<b>\$ 154</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Santa Fe Business Incubator**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 2,387	\$ 2,387	\$ -
Investment Income	551	551	261	(290)
Total revenues	551	2,938	2,648	(290)
<b>Expenditures:</b>				
General government:				
Capital outlay	-	2,387	2,386	1
Total expenditures	-	2,387	2,386	1
Net change in fund balance	551	551	262	289
Fund balance, beginning of year	31,981	31,981	31,981	-
<b>Fund balance, end of year</b>	<b>\$ 32,532</b>	<b>\$ 32,532</b>	<b>\$ 32,243</b>	<b>\$ 289</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**1/2% Gross Receipts Tax**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 11,047,319	\$ 10,326,359	\$ 10,566,842	\$ 240,483
Investment income	48,826	9,845	14,589	4,744
Total revenues	11,096,145	10,336,204	10,581,431	245,227
<b>Expenditures:</b>				
General government:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	11,096,145	10,336,204	10,581,431	245,227
<b>Other financing sources (uses):</b>				
Operating transfers in	-	309,629	309,629	-
Transfers out	(11,992,542)	(11,714,826)	(11,714,826)	-
Total other financing sources (uses)	(11,992,542)	(11,405,197)	(11,405,197)	-
Net changes in fund balance	(896,397)	(1,068,993)	(823,766)	245,227
Fund balance, beginning of year	2,980,635	2,980,635	2,980,635	-
<b>Fund balance, end of year</b>	<b>\$ 2,084,238</b>	<b>\$ 1,911,642</b>	<b>\$ 2,156,869</b>	<b>\$ 245,227</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Animal Services**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Licenses and permits	\$ 18,500	\$ 21,000	\$ 20,897	\$ (103)
Investment income	890	890	646	(244)
Fines and forfeitures	23,000	23,000	21,270	(1,730)
Total revenues	42,390	44,890	42,813	(2,077)
<b>Expenditures:</b>				
General government:				
Current	26,000	26,000	7,162	18,838
Capital outlay	28,000	50,358	22,538	27,820
Total expenditures	54,000	76,358	29,700	46,658
Excess (deficiency) of revenues over expenditures	(11,610)	(31,468)	13,113	44,581
Net change in fund balance	(11,610)	(31,468)	13,113	44,581
Fund balance, beginning of year	76,343	76,343	76,343	-
<b>Fund balance, end of year</b>	<b>\$ 64,733</b>	<b>\$ 44,875</b>	<b>\$ 89,456</b>	<b>\$ 44,581</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Emergency Service Grants**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 2,178,960	\$ 1,089,480	\$ 1,149,994	\$ 60,514
Intergovernmental	498,847	867,097	692,785	(174,312)
Investment income	25,951	25,951	11,050	(14,901)
Total revenues	2,703,758	1,982,528	1,853,829	(128,699)
<b>Expenditures:</b>				
Public safety:				
Current	1,949,572	2,403,184	2,288,321	114,863
Capital outlay	762,926	1,026,857	791,927	234,930
Total expenditures	2,712,498	3,430,041	3,080,248	349,793
Excess (deficiency) of revenues over expenditures	(8,740)	(1,447,513)	(1,226,419)	221,094
<b>Other financing sources (uses):</b>				
Transfers in	2,218,653	1,327,066	1,327,066	-
Transfers out	(2,339,186)	(15,820)	(15,820)	-
Total other financing sources (uses)	(120,533)	1,311,246	1,311,246	-
Net changes in fund balance	(129,273)	(136,267)	84,827	221,094
Fund balance, beginning of year	1,360,817	1,360,817	1,360,817	-
<b>Fund balance, end of year</b>	<b>\$ 1,231,544</b>	<b>\$ 1,224,550</b>	<b>\$ 1,445,644</b>	<b>\$ 221,094</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Environmental Services**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 149,438	\$ 63,383	\$ (86,055)
Total revenues	-	149,438	63,383	(86,055)
<b>Expenditures:</b>				
Culture and recreation:				
Current	-	149,438	63,407	86,031
Total expenditures	-	149,438	63,407	86,031
Excess (deficiency) of revenues over expenditures	-	-	(24)	(24)
Net change in fund balance	-	-	(24)	(24)
Fund balance, beginning of year	91	91	91	-
<b>Fund balance, end of year</b>	<b>\$ 91</b>	<b>\$ 91</b>	<b>\$ 67</b>	<b>\$ (24)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Law Enforcement Grants**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 1,826,356	\$ 2,796,836	\$ 2,897,043	\$ 100,207
Intergovernmental	317,600	2,606,265	853,551	(1,752,714)
Fees and charges for services	478,855	480,355	519,721	39,366
Investment income	20,099	20,099	12,368	(7,731)
Fines and forfeitures	13,482	466,932	365,007	(101,925)
Other	64,000	87,310	87,862	552
Total revenues	<u>2,720,392</u>	<u>6,457,797</u>	<u>4,735,552</u>	<u>(1,722,245)</u>
<b>Expenditures:</b>				
Public safety:				
Current	2,758,940	5,072,724	3,294,108	1,778,616
Capital outlay	1,515,593	1,822,453	1,035,551	786,902
Total expenditures	<u>4,274,533</u>	<u>6,895,177</u>	<u>4,329,659</u>	<u>2,565,518</u>
Excess (deficiency) of revenues over expenditures	(1,554,141)	(437,380)	405,893	843,273
<b>Other financing sources (uses):</b>				
Transfers in	2,225,020	1,168,962	1,168,962	-
Transfers out	(466,000)	(823,615)	(823,615)	-
Total other financing sources (uses)	<u>1,759,020</u>	<u>345,347</u>	<u>345,347</u>	<u>-</u>
Net change in fund balance	204,879	(92,033)	751,240	843,273
Fund balance, beginning of year	2,165,243	2,165,243	2,165,243	-
<b>Fund balance, end of year</b>	<b><u>\$ 2,370,122</u></b>	<b><u>\$ 2,073,210</u></b>	<b><u>\$ 2,916,483</u></b>	<b><u>\$ 843,273</u></b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Resource Conservation**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 1,281,600	\$ 1,281,600	\$ 104,897	\$ (1,176,703)
Total revenues	1,281,600	1,281,600	104,897	(1,176,703)
<b>Expenditures:</b>				
Public safety:				
Current	667,600	667,600	56,433	611,167
Capital Outlay	614,000	614,000	48,464	565,536
Total expenditures	1,281,600	1,281,600	104,897	1,176,703
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**City Drainage Projects**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Fees and charges for services	\$ 459,000	\$ 481,000	\$ 561,363	\$ 80,363
Investment income	4,002	4,002	3,329	(673)
Total revenues	463,002	485,002	564,692	79,690
<b>Expenditures:</b>				
Community welfare:				
Current	370,547	551,679	364,745	186,934
Capital outlay	500	500	-	500
Total expenditures	371,047	552,179	364,745	187,434
Excess (deficiency) of revenues over expenditures	91,955	(67,177)	199,947	267,124
<b>Other financing sources (uses):</b>				
Transfers in	197	197	197	-
Total other financing sources (uses)	197	197	197	-
Net change in fund balance	92,152	(66,980)	200,144	267,124
Fund balance, beginning of year	381,585	381,585	381,585	-
<b>Fund balance, end of year</b>	<b>\$ 473,737</b>	<b>\$ 314,605</b>	<b>\$ 581,729</b>	<b>\$ 267,124</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Impact Fee Projects**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Fees and charges for services	\$ -	\$ 657,000	\$ 655,948	\$ (1,052)
Investment income	48,826	35,693	14,922	(20,771)
Total revenues	48,826	692,693	670,870	(21,823)
<b>Expenditures:</b>				
Culture and recreation:				
Current	85,000	243,744	81,586	162,158
Capital Outlay	-	164,495	164,495	-
Total expenditures	85,000	408,239	246,081	162,158
Excess (deficiency) of revenues over expenditures	(36,174)	284,454	424,789	140,335
<b>Other financing sources (uses):</b>				
Transfers in	-	250,000	250,000	-
Operating transfers (out)	-	(179,291)	(199,023)	(19,732)
Total other financing sources (uses)	-	70,709	50,977	(19,732)
Net change in fund balance	(36,174)	355,163	475,766	120,603
Fund balance, beginning of year	1,780,189	1,780,189	1,780,189	-
<b>Fund balance, end of year</b>	<b>\$ 1,744,015</b>	<b>\$ 2,135,352</b>	<b>\$ 2,255,955</b>	<b>\$ 120,603</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Transportation Grants**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 251,255	\$ 423,762	\$ 235,466	\$ (188,296)
Investment Income	3,557	3,557	2,117	(1,440)
Total revenues	254,812	427,319	237,583	(189,736)
<b>Expenditures:</b>				
Public Works				
Current	355,974	578,849	364,578	214,271
Capital Outlay	600	215,481	55,587	159,894
Total expenditures	356,574	794,330	420,165	374,165
Excess (deficiency) of revenues over expenditures	(101,762)	(367,011)	(182,582)	184,429
<b>Other financing sources (uses):</b>				
Transfers in	54,197	53,005	53,005	-
Transfers out	-	-	-	-
Total other financing sources (uses)	54,197	53,005	53,005	-
Net change in fund balance	(47,565)	(314,006)	(129,577)	184,429
Fund balance, beginning of year	441,319	441,319	441,319	-
<b>Fund balance, end of year</b>	<b>\$ 393,754</b>	<b>\$ 127,313</b>	<b>\$ 311,742</b>	<b>\$ 184,429</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Community Development Grants**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 5,247,840	\$ 4,652,647	\$ 4,175,654	\$ (476,993)
Fees and charges for services	-	28,000	27,805	(195)
Investment income	12,451	12,451	7,097	(5,354)
<b>Total revenues</b>	<b>5,260,291</b>	<b>4,693,098</b>	<b>4,210,556</b>	<b>(482,542)</b>
<b>Expenditures:</b>				
Community welfare:				
Current	4,462,154	6,721,426	5,321,772	1,399,654
Capital outlay	4,440	197,412	197,495	(83)
<b>Total expenditures</b>	<b>4,466,594</b>	<b>6,918,838</b>	<b>5,519,267</b>	<b>1,399,571</b>
Excess (deficiency) of revenues over expenditures	793,697	(2,225,740)	(1,308,711)	917,029
<b>Other financing sources (uses):</b>				
Sale of Capital Assets	-	184,000	183,813	(187)
Transfers in	695,509	860,509	860,509	-
Transfers out	-	(17,500)	(17,500)	-
<b>Total other financing sources (uses)</b>	<b>695,509</b>	<b>1,027,009</b>	<b>1,026,822</b>	<b>(187)</b>
Net changes in fund balance	1,489,206	(1,198,731)	(281,889)	916,842
Fund balance, beginning of year	813,899	813,899	813,899	-
<b>Fund balance, end of year</b>	<b>\$ 2,303,105</b>	<b>\$ (384,832)</b>	<b>\$ 532,010</b>	<b>\$ 916,842</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Senior Citizen Grants**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 2,060,470	\$ 2,366,577	\$ 2,108,164	\$ (258,413)
Fees and charges for services	-	-	110,100	110,100
Other	130,445	133,445	13,995	(119,450)
Total revenues	2,190,915	2,500,022	2,232,259	(267,763)
<b>Expenditures:</b>				
Community welfare:				
Current	4,272,895	4,372,606	4,143,702	228,904
Capital outlay	28,739	149,606	99,887	49,719
Total expenditures	4,301,634	4,522,212	4,243,589	278,623
Excess (deficiency) of revenues over expenditures	(2,110,719)	(2,022,190)	(2,011,330)	10,860
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	2,500	2,553	53
Transfers in	2,181,665	1,977,665	1,977,665	-
Total other financing sources (uses)	2,181,665	1,980,165	1,980,218	53
Net change in fund balance	70,946	(42,025)	(31,112)	10,913
Fund balance, beginning of year	454,821	454,821	454,821	-
<b>Fund balance, end of year</b>	<b>\$ 525,767</b>	<b>\$ 412,796</b>	<b>\$ 423,709</b>	<b>\$ 10,913</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Historic Preservation Grant**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fees and charges for services	\$ -	\$ 9,000	\$ 9,040	\$ 40
Intergovernmental	-	-	-	-
Investment income	1,245	1,245	740	(505)
Total revenues	1,245	10,245	9,780	(465)
<b>Expenditures:</b>				
Culture and recreation:				
Current	-	50	450	(400)
Total expenditures	-	50	450	(400)
Excess (deficiency) of revenues over expenditures	1,245	10,195	9,330	(865)
Net change in fund balance	1,245	10,195	9,330	(865)
Fund balance, beginning of year	94,915	94,915	94,915	-
<b>Fund balance, end of year</b>	<b>\$ 96,160</b>	<b>\$ 105,110</b>	<b>\$ 104,245</b>	<b>\$ (865)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Library**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 94,133	\$ 94,132	\$ (1)
Investment income	7,649	7,649	8,053	404
Fines and forfeitures	1,000	1,800	1,794	(6)
Other	-	-	-	-
Total revenues	8,649	103,582	103,979	397
<b>Expenditures:</b>				
Culture and recreation:				
Current	936,260	1,039,759	1,015,581	24,178
Capital outlay	3,429	31,831	30,268	1,563
Total expenditures	939,689	1,071,590	1,045,849	25,741
Excess (deficiency) of revenues over expenditures	(931,040)	(968,008)	(941,870)	26,138
<b>Other financing sources (uses):</b>				
Transfers in	935,746	935,746	935,746	-
Transfers out	-	-	-	-
Total other financing sources (uses)	935,746	935,746	935,746	-
Net change in fund balance	4,706	(32,262)	(6,124)	26,138
Fund balance, beginning of year	680,934	680,934	680,934	-
<b>Fund balance, end of year</b>	<b>\$ 685,640</b>	<b>\$ 648,672</b>	<b>\$ 674,810</b>	<b>\$ 26,138</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**NEA Grants**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 315,000	\$ 65,000	\$ 84,870	\$ 19,870
Other	36,700	36,700	9,642	(27,058)
Total revenues	351,700	101,700	94,512	(7,188)
<b>Expenditures:</b>				
Public safety:				
Current	326,000	144,848	132,747	12,101
Total expenditures	326,000	144,848	132,747	12,101
Excess (deficiency) of revenues over expenditures	25,700	(43,148)	(38,235)	4,913
Other financing sources (uses):				
Transfers in	24,300	39,300	39,300	-
Total other financing sources (uses)	24,300	39,300	39,300	-
Net change in fund balance	50,000	(3,848)	1,065	4,913
Fund balance, beginning of year	(1,564)	(1,564)	(1,564)	-
<b>Fund balance, end of year</b>	<b>\$ 48,436</b>	<b>\$ (5,412)</b>	<b>\$ (499)</b>	<b>\$ 4,913</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Plaza Use**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Investment income	\$ 320	\$ 320	\$ 433	\$ 113
Fines and forfeitures	-	32,000	31,745	(255)
Other	5,000	5,000	346	(4,654)
Total revenues	<u>5,320</u>	<u>37,320</u>	<u>32,524</u>	<u>(4,796)</u>
<b>Expenditures:</b>				
Culture and recreation:				
Current	5,000	30,000	23,160	6,840
Total expenditures	<u>5,000</u>	<u>30,000</u>	<u>23,160</u>	<u>6,840</u>
Net change in fund balance	320	7,320	9,364	2,044
Fund balance, beginning of year	40,219	40,219	40,219	-
<b>Fund balance, end of year</b>	<u><b>\$ 40,539</b></u>	<u><b>\$ 47,539</b></u>	<u><b>\$ 49,583</b></u>	<u><b>\$ 2,044</b></u>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Public Facilities Purchase**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 20,000	\$ -	\$ -	\$ -
Investment income	889	889	473	(416)
Total revenues	20,889	889	473	(416)
<b>Expenditures:</b>				
Culture and recreation:				
Current	20,000	-	-	-
Total expenditures	20,000	-	-	-
Excess (deficiency) of revenues over expenditures	889	889	473	(416)
<b>Other financing sources (uses):</b>				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	889	889	473	(416)
Fund balance, beginning of year	54,611	54,611	54,611	-
<b>Fund balance, end of year</b>	\$ 55,500	\$ 55,500	\$ 55,084	\$ (416)

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Quality of Life Project**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Investment income	\$ 7,115	\$ 7,115	\$ 2,266	\$ (4,849)
Total revenues	7,115	7,115	2,266	(4,849)
<b>Expenditures:</b>				
Culture and recreation:				
Current	224,667	301,664	180,782	120,882
Capital outlay	-	17,705	15,340	2,365
Total expenditures	224,667	319,369	196,122	123,247
Excess (deficiency) of revenues over expenditures	(217,552)	(312,254)	(193,856)	118,398
<b>Other financing sources (uses):</b>				
Sale of Capital Assets	-	1,600	1,608	8
Transfers in	733,592	685,689	685,689	-
Transfers out	(516,040)	(531,040)	(531,040)	-
Total other financing sources (uses)	217,552	156,249	156,257	8
Net change in fund balance	-	(156,005)	(37,599)	118,406
Fund balance, beginning of year	309,737	309,737	309,737	-
<b>Fund balance, end of year</b>	<b>\$ 309,737</b>	<b>\$ 153,732</b>	<b>\$ 272,138</b>	<b>\$ 118,406</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Recreation Grants**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Taxes	\$ 45,000	\$ 45,000	\$ 32,247	\$ (12,753)
Intergovernmental	-	35,000	34,173	(827)
Fees and charges for services	100,000	100,000	92,330	(7,670)
Investment income	16,898	16,898	4,674	(12,224)
Other	-	23,806	23,806	-
Total revenues	161,898	220,704	187,230	(33,474)
<b>Expenditures:</b>				
Culture and recreation:				
Current	1,764,499	1,818,688	1,696,132	122,556
Capital outlay	-	2,700	1,624	1,076
Total expenditures	1,764,499	1,821,388	1,697,756	123,632
Excess (deficiency) of revenues over expenditures	(1,602,601)	(1,600,684)	(1,510,526)	90,158
Other financing sources (uses):				
Transfers in	1,556,658	1,496,742	1,496,742	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	1,556,658	1,496,742	1,496,742	-
Net change in fund balance	(45,943)	(103,942)	(13,784)	90,158
Fund balance, beginning of year	484,000	484,000	484,000	-
<b>Fund balance, end of year</b>	<b>\$ 438,057</b>	<b>\$ 380,058</b>	<b>\$ 470,216</b>	<b>\$ 90,158</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Land Development**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income	\$ 30,505	\$ 14,110	\$ 13,853	\$ (257)
Total revenues	30,505	14,110	13,853	(257)
<b>Expenditures:</b>				
Culture and recreation:				
Current	-	253,590	253,590	-
Capital outlay	-	280,000	280,000	-
Total expenditures	-	533,590	533,590	-
Excess (deficiency) of revenues over expenditures	30,505	(519,480)	(519,737)	(257)
<b>Other financing sources (uses):</b>				
Transfers in	-	280,000	-	(280,000)
Total other financing sources (uses)	-	280,000	-	(280,000)
Net change in fund balance	30,505	(239,480)	(519,737)	(280,257)
Fund balance, beginning of year	1,706,902	1,706,902	1,706,902	-
<b>Fund balance, end of year</b>	<b>\$ 1,737,407</b>	<b>\$ 1,467,422</b>	<b>\$ 1,187,165</b>	<b>\$ (280,257)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Special Recreation Leagues**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Donations and support	\$ 81,000	\$ 81,000	\$ 71,510	\$ (9,490)
Investment income	1,779	1,779	1,079	(700)
<b>Total revenues</b>	<b>82,779</b>	<b>82,779</b>	<b>72,589</b>	<b>(10,190)</b>
<b>Expenditures:</b>				
Culture and recreation:				
Current	92,815	92,815	55,877	36,938
<b>Total expenditures</b>	<b>92,815</b>	<b>92,815</b>	<b>55,877</b>	<b>36,938</b>
Excess (deficiency) of revenues over expenditures	(10,036)	(10,036)	16,712	26,748
Other financing sources (uses):				
Transfers out	-	-	(8,000)	8,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(8,000)</b>	<b>8,000</b>
<b>Net change in fund balance</b>	<b>(10,036)</b>	<b>(10,036)</b>	<b>8,712</b>	<b>26,748</b>
Fund balance, beginning of year	114,954	114,954	114,954	-
<b>Fund balance, end of year</b>	<b>\$ 104,918</b>	<b>\$ 104,918</b>	<b>\$ 123,666</b>	<b>\$ 18,748</b>

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## **Nonmajor Governmental Funds Capital Projects Funds**

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

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***Capital Improvement Projects (CIP) Reallocation*** – to account for accumulating interest earnings, savings on CIP and subsidiary transfers from the General Fund to be used for other capital improvement projects as approved by the City Council.

***Resource Conservation*** – to account for the installation of energy saving equipment at various City buildings.

***Building Renovations*** – to account for renovations to various City buildings.

***Beautification of Major Arterials*** – to account for the beautification of medians on Cerrillos Road, St. Francis Drive and Paseo de Peralta.

***Bond Acquisition*** – to account for the proceeds of the City Gross Receipts Tax Revenues Bond issues designated to fund various capital improvement projects including wastewater system improvements and landfill construction and closure.

***City Drainage Projects*** – to account for the design and construction of erosion control for various City drainage and river embankment projects.

***Landfill Projects*** – to account for the Ortiz landfill improvements.

***City Paving Projects*** – to account for paving and repaving improvements to existing City streets.

***Santa Fe River Channel*** – to account for improvements to the Santa Fe River.

***City Signalization Projects*** – to account for the installation of traffic signals.

***City Street Construction Projects*** – to account for the design of street construction projects.

***City Sidewalk Projects*** – to account for the design and construction of various sidewalks.

***Zia Road Street Lighting*** – to account for the design of street lighting on Zia Road.

***Public Care Facilities*** – to account for the construction or renovation of City buildings to be used for the needs of the community such as La Familia Medical Center, Child Care Facility and Monica Roybal Center.

***Art for CIP*** – to account for the financing of art in public places.

***Affordable Housing Program*** – to account for Federal and State grants used to provide affordable housing programs.

***Museums*** – to account for improvements to the Camino Lejo and El Museo museums.

***City Parks Improvements*** – to account for improvements to existing City parks as well as construction of future parks.

***Open Space Acquisition*** – to account for the design and construction of an open space master plan and the Talaya Wilderness Trail.

***Library Improvements*** – to account for the design and renovation of the City’s libraries.

***Special Projects-*** to account for the cost of the City’s web-based financial system.

## **Major Governmental Funds Capital Projects Funds**

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***½% Gross Receipts Tax*** – to account for the City’s portion of gross receipts taxes collected by the State of New Mexico per Ordinance no. 1981-45.

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**CITY OF SANTA FE, NEW MEXICO**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**Capital Projects**  
**June 30, 2010**

**Assets**

	<b>Cash, Investments and Cash Equivalents</b>	<b>Other Assets</b>	<b>Tax Receivable</b>	<b>Grants Receivable</b>	<b>Interest Receivable</b>	<b>Total Assets</b>
<b>General Government:</b>						
CIP Reallocation	\$ 316,436	\$ -	\$ -	\$ -	\$ 42,894	\$ 359,330
Resource Conservation	20,264	-	-	-	-	20,264
Building Renovations	1,286,511	9,429	-	247,500	-	1,543,440
Special Projects	-	-	-	-	-	-
Total General Government	1,623,211	9,429	-	247,500	42,894	1,923,034
<b>Public Works:</b>						
Beautif. of Major Arterials	-	-	-	-	-	-
Bond Acquisition	79,494	-	-	-	-	79,494
City Drainage Projects	2,996	-	-	20,981	-	23,977
Landfill Projects	46,704	-	-	-	-	46,704
City Paving Projects	2,047,765	-	137,659	194,072	1,613	2,381,109
Santa Fe River Channel	73,487	-	-	-	-	73,487
City Signalization Projects	367,899	-	-	-	-	367,899
City Street Const. Projects	2,871,109	-	-	7,064	-	2,878,173
City Sidewalk Projects	365,532	-	-	-	-	365,532
Zia Road Street Lighting	237,827	-	-	-	-	237,827
Total Public Works	6,092,813	-	137,659	222,117	1,613	6,454,202
<b>Community Development:</b>						
Affordable Housing Program	288,522	-	-	-	-	288,522
Public Care Facilities	116,755	-	-	-	-	116,755
Total Community Development	405,277	-	-	-	-	405,277
<b>Culture and Recreation:</b>						
Art for CIP Projects	426,425	-	-	-	-	426,425
Museums	1,624	-	-	-	-	1,624
City Parks Improvements	6,916,083	-	-	2,689,836	-	9,605,919
Open Space Acquisition	478,102	-	-	722,537	-	1,200,639
Library Improvements	53,080	-	-	-	-	53,080
Total Culture and Recreation	7,875,314	-	-	3,412,373	-	11,287,687
<b>Totals - June 30, 2010</b>	<b>\$ 15,996,615</b>	<b>\$ 9,429</b>	<b>\$ 137,659</b>	<b>\$ 3,881,990</b>	<b>\$ 44,507</b>	<b>\$ 20,070,200</b>

**Liabilities**

<b>Accounts Payable</b>	<b>Accrued Wages Payable</b>	<b>Due to Other Funds</b>	<b>Deferred Revenue</b>	<b>Deposits/ Escrows</b>	<b>Other Liabilities</b>	<b>Total Liabilities</b>	<b>Total Fund Balances</b>	<b>Total Liabilities and Fund Balances</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,220	78,220	\$ 281,110	\$ 359,330
-	-	-	-	-	-	-	\$ 20,264	20,264
5,218	7,310	-	-	-	-	12,528	1,530,912	1,543,440
111,421	-	365,330	-	-	-	476,751	(476,751)	-
116,639	7,310	365,330	-	-	78,220	567,499	1,355,535	1,923,034
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	79,494	79,494
-	-	-	-	-	-	-	23,977	23,977
-	-	-	-	-	-	-	46,704	46,704
484,936	56,594	-	-	-	-	541,530	1,839,579	2,381,109
-	-	-	-	-	-	-	73,487	73,487
40,702	1,422	-	-	-	-	42,124	325,775	367,899
285,243	19,348	-	-	100,000	-	404,591	2,473,582	2,878,173
-	3,220	-	-	-	-	3,220	362,312	365,532
-	2,956	-	-	-	-	2,956	234,871	237,827
810,881	83,540	-	-	100,000	-	994,421	5,459,781	6,454,202
-	-	-	-	-	-	-	-	-
41,465	-	-	-	-	-	41,465	247,057	288,522
-	-	-	-	-	-	-	116,755	116,755
41,465	-	-	-	-	-	41,465	363,812	405,277
-	-	-	-	-	-	-	-	-
540	1,422	-	-	-	-	1,962	424,463	426,425
-	-	-	-	-	-	-	1,624	1,624
303,112	75,447	-	-	-	-	378,559	9,227,360	9,605,919
120,029	1,521	-	398,173	-	-	519,723	680,916	1,200,639
2,264	-	-	-	35,000	-	37,264	15,816	53,080
425,945	78,390	-	398,173	35,000	-	937,508	10,350,179	11,287,687
<b>\$ 1,394,930</b>	<b>\$ 169,240</b>	<b>\$ 365,330</b>	<b>\$ 398,173</b>	<b>\$ 135,000</b>	<b>\$ 78,220</b>	<b>\$ 2,540,893</b>	<b>\$ 17,529,307</b>	<b>\$ 20,070,200</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Capital Projects**  
**For the Year Ended June 30, 2010**

	Revenues				Expenditures		
	Taxes	Intergov- ernmental	Investment Income	Other Revenues	Total Revenues	Current	Capital Outlay
<b>General Government:</b>							
CIP Reallocation	\$ -	\$ -	\$ 121,592	\$ -	\$ 121,592	\$ 86,191	\$ -
Resource Conservation	-	-	-	-	-	126,250	11,838
Building Renovations	-	283,446	-	36	283,482	238,271	2,414,219
Special Projects	-	-	-	-	-	555,363	463,281
<b>Total General Government</b>	-	283,446	121,592	36	405,074	1,006,075	2,889,338
<b>Public Works:</b>							
Beautif. of Major Arterials	-	132,313	-	-	132,313	-	132,313
Bond Acquisition	-	-	-	-	-	-	-
City Drainage Projects	-	23,758	-	-	23,758	-	94,919
Landfill Projects	-	-	-	-	-	-	-
City Paving Projects	1,368,077	271,847	3,846	-	1,643,770	1,480,010	2,452,782
Santa Fe River Channel	-	2,525	-	-	2,525	-	16,538
City Signalization Projects	-	21,903	-	-	21,903	33,983	336,430
City Street Const. Projects	-	3,175,877	-	158,029	3,333,906	11,479	4,466,724
City Sidewalk Projects	-	50,000	-	-	50,000	217,471	109,694
Zia Road Street Lighting	-	-	-	-	-	20,015	-
<b>Total Public Works</b>	1,368,077	3,678,223	3,846	158,029	5,208,175	1,762,958	7,609,400
<b>Community Development:</b>							
Affordable Housing Program	-	-	-	-	-	-	460,605
Public Care Facilities	-	92,401	-	-	92,401	-	92,401
<b>Total Community Development</b>	-	92,401	-	-	92,401	-	553,006
<b>Culture and Recreation:</b>							
Art for CIP Projects	-	-	-	1,500	1,500	185,954	-
Museums	-	18,490	-	-	18,490	-	18,490
City Parks Improvements	-	1,149,244	-	-	1,149,244	664,080	5,333,808
Open Space Acquisition	-	995,293	-	-	995,293	-	1,169,000
Library Improvements	-	-	-	-	-	656	30,834
<b>Total Culture and Recreation</b>	-	2,163,027	-	1,500	2,164,527	850,690	6,552,132
<b>Totals - June 30, 2010</b>	<b>\$ 1,368,077</b>	<b>\$ 6,217,097</b>	<b>\$ 125,438</b>	<b>\$ 159,565</b>	<b>\$ 7,870,177</b>	<b>\$ 3,619,723</b>	<b>\$ 17,603,876</b>

Other Financing Sources (Uses)					Fund Balances	
Total Expenditures	Excess (Deficiency) of Revenues Over Expenditures	Transfers In	Transfers (Out)	Net Changes In Fund Balances	Beginning of year	End of Year
\$ 86,191	\$ 35,401	\$ 1	\$ (100,000)	\$ (64,598)	345,708	\$ 281,110
138,088	(138,088)	-	(6,661)	(144,749)	165,013	\$ 20,264
2,652,490	(2,369,008)	194,363	(345,163)	(2,519,808)	4,050,720	1,530,912
1,018,644	(1,018,644)	582,033	-	(436,611)	(40,140)	(476,751)
3,895,413	(3,490,339)	776,397	(451,824)	(3,165,766)	4,521,301	1,355,535
132,313	-	-	(1)	(1)	1	-
-	-	-	-	-	79,494	79,494
94,919	(71,161)	-	(1,849)	(73,010)	96,987	23,977
-	-	-	-	-	46,704	46,704
3,932,792	(2,289,022)	159,366	(108,880)	(2,238,536)	4,078,115	1,839,579
16,538	(14,013)	-	-	(14,013)	87,500	73,487
370,413	(348,510)	87,772	(17,060)	(277,798)	603,573	325,775
4,478,203	(1,144,297)	98,901	(463,128)	(1,508,524)	3,982,106	2,473,582
327,165	(277,165)	4,872	-	(272,293)	634,605	362,312
20,015	(20,015)	200,000	-	179,985	54,886	234,871
9,372,358	(4,164,183)	550,911	(590,918)	(4,204,190)	9,663,971	5,459,781
460,605	(460,605)	-	-	(460,605)	707,662	247,057
92,401	-	-	-	-	116,755	116,755
553,006	(460,605)	-	-	(460,605)	824,417	363,812
185,954	(184,454)	36,492	-	(147,962)	572,425	424,463
18,490	-	-	-	-	1,624	1,624
5,997,888	(4,848,644)	2,201,628	(410,118)	(3,057,134)	12,284,494	9,227,360
1,169,000	(173,707)	-	(8,000)	(181,707)	862,623	680,916
31,490	(31,490)	25,000	-	(6,490)	22,306	15,816
7,402,822	(5,238,295)	2,263,120	(418,118)	(3,393,293)	13,743,472	10,350,179
<b>\$ 21,223,599</b>	<b>\$ (13,353,422)</b>	<b>\$ 3,590,428</b>	<b>\$ (1,460,860)</b>	<b>\$ (11,223,854)</b>	<b>\$ 28,753,161</b>	<b>\$ 17,529,307</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**CIP Reallocation Fund**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Investment income	\$ 209,001	\$ 123,526	\$ 121,592	\$ (1,934)
Total revenues	209,001	123,526	121,592	(1,934)
<b>Expenditures:</b>				
General government:				
Current	-	-	86,191	(86,191)
Total expenditures	-	-	86,191	(86,191)
Excess (deficiency) of revenues over expenditures	209,001	123,526	35,401	(88,125)
Other financing sources (uses):				
Transfer in	-	-	1	1
Transfers out	-	(100,000)	(100,000)	-
Total other financing sources (uses)	-	(100,000)	(99,999)	1
Net change in fund balance	209,001	23,526	(64,598)	(88,124)
Fund balance, beginning of year	345,708	345,708	345,708	-
<b>Fund balance, end of year</b>	<b>\$ 554,709</b>	<b>\$ 369,234</b>	<b>\$ 281,110</b>	<b>\$ (88,124)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Resource Conservation**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures:</b>				
General government:				
Current	-	134,090	126,250	7,840
Capital outlay	-	24,262	11,838	12,424
Total expenditures	-	158,352	138,088	20,264
Excess (deficiency) of revenues over expenditures	-	(158,352)	(138,088)	20,264
Other financing sources (uses):				
Transfers out	-	(6,661)	(6,661)	-
Total other financing sources (uses)	-	(6,661)	(6,661)	-
Net changes in fund balance	-	(165,013)	(144,749)	20,264
Fund balance, beginning of year	165,013	165,013	165,013	-
<b>Fund balance, end of year</b>	<b>\$ 165,013</b>	<b>\$ -</b>	<b>\$ 20,264</b>	<b>\$ 20,264</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Building Renovations**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 182,139	\$ 560,147	\$ 283,446	\$ (276,701)
Other revenues	-	-	36	36
<b>Total revenues</b>	<b>182,139</b>	<b>560,147</b>	<b>283,482</b>	<b>(276,665)</b>
<b>Expenditures:</b>				
General government:				
Current	163,055	337,862	238,271	99,591
Capital outlay	2,646,066	4,041,351	2,414,219	1,627,132
<b>Total expenditures</b>	<b>2,809,121</b>	<b>4,379,213</b>	<b>2,652,490</b>	<b>1,726,723</b>
Excess (deficiency) of revenues over expenditures	(2,626,982)	(3,819,066)	(2,369,008)	1,450,058
Other financing sources (uses):				
Transfers in	-	194,363	194,363	-
Transfers out	-	(345,163)	(345,163)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(150,800)</b>	<b>(150,800)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(2,626,982)</b>	<b>(3,969,866)</b>	<b>(2,519,808)</b>	<b>1,450,058</b>
Fund balance, beginning of year	4,050,720	4,050,720	4,050,720	-
<b>Fund balance, end of year</b>	<b>\$ 1,423,738</b>	<b>\$ 80,854</b>	<b>\$ 1,530,912</b>	<b>\$ 1,450,058</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Special Projects**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Public works:				
Current	-	210,756	555,363	(344,607)
Capital outlay	82,176	410,858	463,281	(52,423)
Total expenditures	82,176	621,614	1,018,644	(397,030)
Excess (deficiency) of revenues over expenditures	(82,176)	(621,614)	(1,018,644)	(397,030)
Other financing sources (uses):				
Transfers in	-	1,060,638	582,033	(478,605)
Total other financing sources (uses)	-	1,060,638	582,033	(478,605)
Net change in fund balance	(82,176)	439,024	(436,611)	(875,635)
Fund balance, beginning of year	(40,140)	(40,140)	(40,140)	-
<b>Fund balance, end of year</b>	<b>\$ (122,316)</b>	<b>\$ 398,884</b>	<b>\$ (476,751)</b>	<b>\$ (875,635)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Beautification of Major Arterials**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 150,000	\$ 132,313	\$ (17,687)
Total revenues	-	150,000	132,313	(17,687)
<b>Expenditures:</b>				
Public works:				
Capital outlay	-	150,000	132,313	17,687
Total expenditures	-	150,000	132,313	17,687
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Transfers out	-	-	(1)	(1)
Total other financing sources (uses)	-	-	(1)	(1)
Net change in fund balance	-	-	(1)	(1)
Fund balance, beginning of year	1	1	1	-
<b>Fund balance, end of year</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ (1)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Bond Acquisition**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 6,924	\$ -	\$ -	-
Total revenues	6,924	-	-	-
<b>Expenditures:</b>				
Public works:				
Capital outlay	65,436	79,494	-	79,494
Total expenditures	65,436	79,494	-	79,494
Excess (deficiency) of revenues over expenditures	(58,512)	(79,494)	-	79,494
Net change in fund balance	(58,512)	(79,494)	-	79,494
Fund balance, beginning of year	79,494	79,494	79,494	-
<b>Fund balance, end of year</b>	<b>\$ 20,982</b>	<b>\$ -</b>	<b>\$ 79,494</b>	<b>\$ 79,494</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**City Drainage Projects**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 30,000	\$ 234,814	\$ 23,758	\$ (211,056)
Total revenues	30,000	234,814	23,758	(211,056)
<b>Expenditures:</b>				
Public works:				
Capital outlay	138,242	325,658	94,919	230,739
Total expenditures	138,242	325,658	94,919	230,739
Excess (deficiency) of revenues over expenditures	(108,242)	(90,844)	(71,161)	19,683
Other financing sources (uses):				
Transfers out	-	(1,849)	(1,849)	-
Total other financing sources (uses)	-	(1,849)	(1,849)	-
Net change in fund balance	(108,242)	(92,693)	(73,010)	19,683
Fund balance, beginning of year	96,987	96,987	96,987	-
<b>Fund balance, end of year</b>	<b>\$ (11,255)</b>	<b>\$ 4,294</b>	<b>\$ 23,977</b>	<b>\$ 19,683</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Landfill Projects**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-	-
<b>Expenditures:</b>					
Public works:					
Capital outlay	-	46,704	-	-	46,704
Total expenditures	-	46,704	-	-	46,704
Excess (deficiency) of revenues over expenditures	-	(46,704)	-	-	46,704
Net change in fund balance	-	(46,704)	-	-	46,704
Fund balance, beginning of year	46,704	46,704	46,704	-	-
<b>Fund balance, end of year</b>	<b>\$ 46,704</b>	<b>\$ -</b>	<b>\$ 46,704</b>	<b>\$ -</b>	<b>46,704</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**City Paving Projects**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues:</b>				
Taxes	\$ 1,185,000	\$ 1,185,000	\$ 1,368,077	\$ 183,077
Intergovernmental	354,670	2,191,392	271,847	(1,919,545)
Interest on investments	4,447	4,447	3,846	(601)
<b>Total revenues</b>	<b>1,544,117</b>	<b>3,380,839</b>	<b>1,643,770</b>	<b>(1,737,069)</b>
<b>Expenditures:</b>				
Public works:				
Current	1,164,301	1,202,586	1,480,010	(277,424)
Capital outlay	4,257,382	5,958,968	2,452,782	3,506,186
<b>Total expenditures</b>	<b>5,421,683</b>	<b>7,161,554</b>	<b>3,932,792</b>	<b>3,228,762</b>
Excess (deficiency) of revenues over expenditures	(3,877,566)	(3,780,715)	(2,289,022)	1,491,693
<b>Other financing sources (uses):</b>				
Transfers in	23,729	159,366	159,366	-
Transfers out	-	(108,880)	(108,880)	-
<b>Total other financing sources (uses)</b>	<b>23,729</b>	<b>50,486</b>	<b>50,486</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(3,853,837)</b>	<b>(3,730,229)</b>	<b>(2,238,536)</b>	<b>1,491,693</b>
Fund balance, beginning of year	4,078,115	4,078,115	4,078,115	-
<b>Fund balance, end of year</b>	<b>\$ 224,278</b>	<b>\$ 347,886</b>	<b>\$ 1,839,579</b>	<b>\$ 1,491,693</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Santa Fe River Channel**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Intergovernmental	\$ 98,790	\$ 98,465	\$ 2,525	\$ (95,940)	
Total revenues	98,790	98,465	2,525	(95,940)	
<b>Expenditures:</b>					
Public works:					
Capital outlay	121,428	156,312	16,538	139,774	
Total expenditures	121,428	156,312	16,538	139,774	
Excess (deficiency) of revenues over expenditures	(22,638)	(57,847)	(14,013)	43,834	
Net change in fund balance	(22,638)	(57,847)	(14,013)	43,834	
Fund balance, beginning of year	87,500	87,500	87,500	-	
<b>Fund balance, end of year</b>	<b>\$ 64,862</b>	<b>\$ 29,653</b>	<b>\$ 73,487</b>	<b>\$ 43,834</b>	

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**City Signalization Projects**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Intergovernmental	\$ 26,648	\$ 25,000	\$ 21,903	\$ (3,097)	
Total revenues	26,648	25,000	21,903	(3,097)	
<b>Expenditures:</b>					
Public works:					
Current	-	44,200	33,983	10,217	
Capital outlay	527,653	584,227	336,430	247,797	
Total expenditures	527,653	628,427	370,413	258,014	
Excess (deficiency) of revenues over expenditures	(501,005)	(603,427)	(348,510)	254,917	
Other financing sources (uses):					
Transfers in	-	87,772	87,772	-	
Transfers out	-	(17,060)	(17,060)	-	
Total other financing sources (uses)	-	70,712	70,712	-	
Net change in fund balance	(501,005)	(532,715)	(277,798)	254,917	
Fund balance, beginning of year	603,573	603,573	603,573	-	
<b>Fund balance, end of year</b>	<b>\$ 102,568</b>	<b>\$ 70,858</b>	<b>\$ 325,775</b>	<b>\$ 254,917</b>	

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**City Street Construction Projects**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Intergovernmental	\$ 4,066,300	\$ 10,696,378	\$ 3,175,877	\$ (7,520,501)
Other revenue	107,591	161,155	158,029	(3,126)
Total revenues	4,173,891	10,857,533	3,333,906	(7,523,627)
<b>Expenditures:</b>				
Public works:				
Current	14,150	33,264	11,479	21,785
Capital outlay	5,928,147	14,193,667	4,466,724	9,726,943
Total expenditures	5,942,297	14,226,931	4,478,203	9,748,728
Excess (deficiency) of revenues over expenditures	(1,768,406)	(3,369,398)	(1,144,297)	2,225,101
<b>Other financing sources (uses):</b>				
Transfers in	-	98,901	98,901	-
Transfers out	-	(463,128)	(463,128)	-
Total other financing sources (uses)	-	(364,227)	(364,227)	-
Net change in fund balance	(1,768,406)	(3,733,625)	(1,508,524)	2,225,101
Fund balance, beginning of year	3,982,106	3,982,106	3,982,106	-
<b>Fund balance, end of year</b>	<b>\$ 2,213,700</b>	<b>\$ 248,481</b>	<b>\$ 2,473,582</b>	<b>\$ 2,225,101</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**City Sidewalk Projects**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Total revenues	50,000	50,000	50,000	-
<b>Expenditures:</b>				
Public works:				
Current	-	179,264	217,471	(38,207)
Capital outlay	571,033	482,876	109,694	373,182
Total expenditures	571,033	662,140	327,165	334,975
Excess (deficiency) of revenues over expenditures	(521,033)	(612,140)	(277,165)	334,975
Other financing sources (uses):				
Transfers in	-	4,872	4,872	-
Total other financing sources (uses)	-	4,872	4,872	-
Net change in fund balance	(521,033)	(607,268)	(272,293)	334,975
Fund balance, beginning of year	634,605	634,605	634,605	-
<b>Fund balance, end of year</b>	<b>\$ 113,572</b>	<b>\$ 27,337</b>	<b>\$ 362,312</b>	<b>\$ 334,975</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Zia Road Street Lighting**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-	-
<b>Expenditures:</b>					
Public works:					
Current	-	-	20,015	(20,015)	
Capital outlay	50,936	200,000	-	200,000	
Total expenditures	50,936	200,000	20,015	179,985	
Excess (deficiency) of revenues over expenditures	(50,936)	(200,000)	(20,015)	179,985	
<b>Other financing sources (uses):</b>					
Transfers in	-	200,000	200,000	-	
Total other financing sources (uses)	-	200,000	200,000	-	
Net change in fund balance	(50,936)	-	179,985	179,985	
Fund balance, beginning of year	54,886	54,886	54,886	-	
<b>Fund balance, end of year</b>	<b>\$ 3,950</b>	<b>\$ 54,886</b>	<b>\$ 234,871</b>	<b>\$ 179,985</b>	

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Affordable Housing Program**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Community development				
Capital outlay	707,662	707,662	460,605	247,057
Total expenditures	707,662	707,662	460,605	247,057
Excess (deficiency) of revenues over expenditures	(707,662)	(707,662)	(460,605)	247,057
Net change in fund balance	(707,662)	(707,662)	(460,605)	247,057
Fund balance, beginning of year	707,662	707,662	707,662	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>247,057</b>	<b>\$ 247,057</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Public Care Facilities**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 686,137	\$ 92,401	\$ 92,401	\$ -
Total revenues	686,137	92,401	92,401	-
<b>Expenditures:</b>				
Community welfare:				
Capital outlay	99,999	192,400	92,401	99,999
Total expenditures	99,999	192,400	92,401	99,999
Excess (deficiency) of revenues over expenditures	586,138	(99,999)	-	99,999
Net change in fund balance	586,138	(99,999)	-	99,999
Fund balance, beginning of year	116,755	116,755	116,755	-
<b>Fund balance, end of year</b>	<b>\$ 702,893</b>	<b>\$ 16,756</b>	<b>\$ 116,755</b>	<b>\$ 99,999</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Art for CIP Projects**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	-
Other revenue	-	2,250	1,500	750
Total revenues	-	2,250	1,500	750
<b>Expenditures:</b>				
Culture and recreation:				
Current	80,499	426,071	185,954	240,117
Total expenditures	80,499	426,071	185,954	240,117
Excess (deficiency) of revenues over expenditures	(80,499)	(423,821)	(184,454)	240,867
Other financing sources (uses):				
Transfers in	44	36,492	36,492	-
Total other financing sources (uses)	44	36,492	36,492	-
Net change in fund balance	(80,455)	(387,329)	(147,962)	239,367
Fund balance, beginning of year	572,425	572,425	572,425	-
<b>Fund balance, end of year</b>	<b>\$ 491,970</b>	<b>\$ 185,096</b>	<b>\$ 424,463</b>	<b>\$ 239,367</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Museums**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Intergovernmental	\$ 227,424	\$ 222,454	\$ 18,490	\$ (203,964)	
Total revenues	227,424	222,454	18,490	(203,964)	
<b>Expenditures:</b>					
Culture and recreation:					
Capital outlay	-	223,148	18,490	204,658	
Total expenditures	-	223,148	18,490	204,658	
Excess (deficiency) of revenues over expenditures	227,424	(694)	-	694	
Net change in fund balance	227,424	(694)	-	694	
Fund balance, beginning of year	1,624	1,624	1,624	-	
<b>Fund balance, end of year</b>	<b>\$ 229,048</b>	<b>\$ 930</b>	<b>\$ 1,624</b>	<b>\$ 694</b>	

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**City Parks Improvements**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Intergovernmental	\$ 3,833,110	\$ 1,964,817	\$ 1,149,244	\$ (815,573)	
Total revenues	3,833,110	1,964,817	1,149,244	(815,573)	
<b>Expenditures:</b>					
Culture and recreation:					
Current	1,134,583	1,162,122	664,080	498,042	
Capital outlay	12,286,515	14,882,672	5,333,808	9,548,864	
Total expenditures	13,421,098	16,044,794	5,997,888	10,046,906	
Excess (deficiency) of revenues over expenditures	(9,587,988)	(14,079,977)	(4,848,644)	9,231,333	
Other financing sources (uses):					
Transfers in	-	2,201,628	2,201,628	-	
Transfers out	-	(410,118)	(410,118)	-	
Total other financing sources (uses)	-	1,791,510	1,791,510	-	
Net change in fund balance	(9,587,988)	(12,288,467)	(3,057,134)	9,231,333	
Fund balance, beginning of year	12,284,494	12,284,494	12,284,494	-	
<b>Fund balance, end of year</b>	<b>\$ 2,696,506</b>	<b>\$ (3,973)</b>	<b>\$ 9,227,360</b>	<b>\$ 9,231,333</b>	

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Open Space Acquisition**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues:</b>				
Intergovernmental	\$ 977,572	\$ 1,707,584	\$ 995,293	\$ (712,291)
Total revenues	977,572	1,707,584	995,293	(712,291)
<b>Expenditures:</b>				
Culture and recreation:				
Current	13,000	11,560	-	11,560
Capital outlay	1,366,038	2,155,907	1,169,000	986,907
Total expenditures	1,379,038	2,167,467	1,169,000	998,467
Excess (deficiency) of revenues over expenditures	(401,466)	(459,883)	(173,707)	286,176
Other financing sources (uses):				
Transfers out	-	(8,000)	(8,000)	-
Total other financing sources (uses)	-	(8,000)	(8,000)	-
Net change in fund balance	(401,466)	(467,883)	(181,707)	286,176
Fund balance, beginning of year	862,623	862,623	862,623	-
<b>Fund balance, end of year</b>	<b>\$ 461,157</b>	<b>\$ 394,740</b>	<b>\$ 680,916</b>	<b>\$ 286,176</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Library Improvements**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amount	
<b>Revenues:</b>				
Other revenue	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Cultural and Recreation:				
Current	-	-	656	(656)
Capital Outlay	22,860	47,255	30,834	16,421
Total expenditures	22,860	47,255	31,490	15,765
Excess (deficiency) of revenues over expenditures	(22,860)	(47,255)	(31,490)	15,765
<b>Other financing sources (uses):</b>				
Transfers in	-	25,000	25,000	-
Total other financing sources (uses)	-	25,000	25,000	-
Net changes in fund balance	(22,860)	(22,255)	(6,490)	15,765
Fund balance, beginning of year	22,306	22,306	22,306	-
<b>Fund balance, end of year</b>	<b>\$ (554)</b>	<b>\$ 51</b>	<b>\$ 15,816</b>	<b>\$ 15,765</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Major Governmental Fund**  
**Capital Projects**  
**1/2 % Gross Receipts Tax**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 14,789,213	\$ 13,823,293	\$ 14,145,489	\$ 322,196
Other Revenue	-	-	340	340
<b>Total revenues</b>	<b>14,789,213</b>	<b>13,823,293</b>	<b>14,145,829</b>	<b>322,536</b>
<b>Expenditures:</b>				
General government:				
Current	2,595,712	2,684,854	2,473,179	211,675
Capital outlay	37,451	259,528	250,872	8,656
<b>Total expenditures</b>	<b>2,633,163</b>	<b>2,944,382</b>	<b>2,724,051</b>	<b>220,331</b>
Excess (deficiency) of revenues over expenditures	12,156,050	10,878,911	11,421,778	542,867
Other financing sources (uses):				
Transfers in	2,004,052	19,474	19,474	-
Transfers out	(15,849,058)	(17,446,558)	(16,688,353)	758,205
<b>Total other financing sources (uses)</b>	<b>(13,845,006)</b>	<b>(17,427,084)</b>	<b>(16,668,879)</b>	<b>758,205</b>
<b>Net change in fund balance</b>	<b>(1,688,956)</b>	<b>(6,548,173)</b>	<b>(5,247,101)</b>	<b>1,301,072</b>
Fund balance, beginning of year	23,252,106	23,252,106	23,252,106	-
<b>Fund balance, end of year</b>	<b>\$ 21,563,150</b>	<b>\$ 16,703,933</b>	<b>\$ 18,005,005</b>	<b>\$ 1,301,072</b>

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**Major Governmental Fund  
Debt Service Fund  
Budget vs Actual**

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The Debt Service Funds are used to account for the accumulation of resources and payment of principal and interest on the City's general bonded debt.

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**CITY OF SANTA FE, NEW MEXICO**  
**Major Governmental Fund**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2010**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Investment income	\$ 129,313	\$ 184,893	\$ 156,046	\$ (28,847)
Property Tax Revenue	1,450,000	1,450,000	1,701,441	251,441
Reimbursements/Refunds	-	-	159,961	159,961
<b>Total revenues</b>	<b>1,579,313</b>	<b>1,634,893</b>	<b>2,017,448</b>	<b>382,555</b>
<b>Expenditures:</b>				
Debt service:				
Principal payments	3,947,176	7,655,026	7,673,026	(18,000)
Interest and fiscal agent fees	9,473,413	5,777,338	5,784,564	(7,226)
Bond issuance costs	-	-	-	-
<b>Total expenditures</b>	<b>13,420,589</b>	<b>13,432,364</b>	<b>13,457,590</b>	<b>(25,226)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(11,841,276)</b>	<b>(11,797,471)</b>	<b>(11,440,142)</b>	<b>357,329</b>
<b>Other financing sources (uses):</b>				
Operating transfers in	12,018,900	12,228,855	12,229,655	800
Operating transfers out	-	(3,287,612)	(3,288,011)	(399)
HUD loan payments(flow through)	-	-	7,113	7,113
Issuance of bonds				
Face value of bonds issued	-	-	-	-
Premium on issuance of bond	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>12,018,900</b>	<b>8,941,243</b>	<b>8,948,757</b>	<b>7,514</b>
<b>Net change in fund balance</b>	<b>177,624</b>	<b>(2,856,228)</b>	<b>(2,491,385)</b>	<b>364,843</b>
<b>Fund balance, beginning of year</b>	<b>70,563,345</b>	<b>10,938,927</b>	<b>8,936,307</b>	<b>2,002,620</b>
<b>Fund balance, end of year</b>	<b>\$ 70,740,969</b>	<b>\$ 8,082,699</b>	<b>\$ 6,444,922</b>	<b>\$ (1,637,777)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Major Governmental Fund**  
**Debt Service Fund**  
**Combining Balance Sheet**  
**For the Year Ended June 30, 2010**

	General Obligation 2008 Debt Service	GRT 1997A Debt Service	GRT 1999 Debt Service	GRT 2002 Debt Service	GRT 2004A Debt Service	GRT Refunding 2004B Debt Service	GRT 2006 Debt Service
<b>Assets</b>							
Cash and Investments	\$ 758,035	\$ -	\$ -	\$ 10,603	\$ 116	\$ 743,487	\$ 34,848
Restricted cash, cash equivalents and investments: Restricted for debt service payments	2,821,911	-	-	74,675	52,648	-	68,328
Receivables							
Property taxes	20,692	-	-	-	-	-	-
Interest	46,820	-	-	182	91	3,711	1,549
<b>Total Assets</b>	<b>3,647,458</b>	<b>-</b>	<b>-</b>	<b>85,460</b>	<b>52,855</b>	<b>747,198</b>	<b>104,725</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Vouchers payable	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>							
<b>Fund balance:</b>							
Reserve, designated for, reported in:							
Debt service	2,889,423	-	-	85,460	52,855	747,198	104,725
Capital projects	758,035	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>3,647,458</b>	<b>-</b>	<b>-</b>	<b>85,460</b>	<b>52,855</b>	<b>747,198</b>	<b>104,725</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,647,458</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 85,460</b>	<b>\$ 52,855</b>	<b>\$ 747,198</b>	<b>\$ 104,725</b>

GRT 2008 CIP Debt Service	GRT Refunding 2008B Debt Service	NMFA-Fire Department Debt Service	HUD Section 108 Loan Debt Service	NMFA-Parking Loan Debt Service	NMFA-Land Acquisition Debt Service	TOTAL
\$ 108,161	\$ 106	\$ 185,015	\$ 16,083	\$ 635,507	\$ 31,323	\$ 2,523,284
86,697	621,596	117,068	67,060	4	3	3,909,990
-	-	-	-	-	-	20,692
567	98	705	-	2,294	67	56,084
<u>195,425</u>	<u>621,800</u>	<u>302,788</u>	<u>83,143</u>	<u>637,805</u>	<u>31,393</u>	<u>6,510,050</u>
-	-	-	15	-	-	15
-	-	-	40,000	-	-	40,000
-	-	-	25,113	-	-	25,113
-	-	-	<u>65,128</u>	-	-	<u>65,128</u>
195,425	621,800	302,788	18,015	637,805	31,393	5,686,887
-	-	-	-	-	-	758,035
<u>195,425</u>	<u>621,800</u>	<u>302,788</u>	<u>18,015</u>	<u>637,805</u>	<u>31,393</u>	<u>6,444,922</u>
<b>\$ 195,425</b>	<b>\$ 621,800</b>	<b>\$ 302,788</b>	<b>\$ 83,143</b>	<b>\$ 637,805</b>	<b>\$ 31,393</b>	<b>\$ 6,510,050</b>

**Assets**

Cash and Investments  
 Restricted cash, cash equivalents and investments:  
 Restricted for debt service payments  
 Receivables  
 Property taxes  
 Interest

**Total Assets**

**Liabilities and Fund Balances**

Liabilities  
 Vouchers payable  
 Other current liabilities  
 Other deferred revenue

**Total Liabilities**

**Fund balances:**

Fund balance:

Reserve, designated for, reported in:  
 Debt service  
 Capital projects

**Total Fund Balances**

**Total liabilities and fund balances**

**CITY OF SANTA FE, NEW MEXICO**  
**Major Governmental Fund**  
**Debt Service Fund**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2010**

	General Obligation 2008 Debt Service	GRT 1997A Debt Service	GRT 1999 Debt Service	GRT 2002 Debt Service	GRT 2004A Debt Service	GRT Refunding 2004B Debt Service	GRT 2006 Debt Service
<b>REVENUES:</b>							
Taxes							
Property	\$ 1,701,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	106,394	-	-	806	467	16,463	4,037
Reimbursements/Refunds	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>1,807,835</b>	<b>-</b>	<b>-</b>	<b>806</b>	<b>467</b>	<b>16,463</b>	<b>4,037</b>
<b>EXPENDITURES:</b>							
Debt service:							
Principal payments	600,000	-	-	100,000	25,000	1,515,000	555,000
Interest and fiscal agent fees	829,957	-	-	803,250	634,438	48,200	760,750
Bond Issuance Costs	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,429,957</b>	<b>-</b>	<b>-</b>	<b>903,250</b>	<b>659,438</b>	<b>1,563,200</b>	<b>1,315,750</b>
Excess (deficiency) of revenues over expenditures	377,878	-	-	(902,444)	(658,971)	(1,546,737)	(1,311,713)
<b>OTHER FINANCING SOURCES (USES):</b>							
Operating Transfers In	-	-	-	908,776	665,714	1,560,950	1,321,026
Operating Transfers Out	(2,562,565)	(9,155)	(3,867)	(6,776)	(6,776)	(309,628)	(368,516)
HUD loan payments (flow through)	-	-	-	-	-	-	-
Issuance of Bonds	-	-	-	-	-	-	-
Bonds Proceeds	-	-	-	-	-	-	-
Bond Premiums	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(2,562,565)</b>	<b>(9,155)</b>	<b>(3,867)</b>	<b>902,000</b>	<b>658,938</b>	<b>1,251,322</b>	<b>952,510</b>
<b>Net change in fund balance</b>	<b>(2,184,687)</b>	<b>(9,155)</b>	<b>(3,867)</b>	<b>(444)</b>	<b>(33)</b>	<b>(295,415)</b>	<b>(359,203)</b>
Fund balance, beginning of year	5,832,145	9,155	3,867	85,904	52,888	1,042,613	463,928
<b>Fund balance, end of year</b>	<b>\$ 3,647,458</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 85,460</b>	<b>\$ 52,855</b>	<b>\$ 747,198</b>	<b>\$ 104,725</b>

GRT 2008 CIP Debt Service	GRT Refunding 2008B Debt Service	NMFA-Fire Department Debt Service	HUD Section 108 Loan Debt	NMFA- Parking Loan Debt Service	NMFA-Land Acquisition Debt Service	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,701,441
1,674	18,163	2,243	11	5,871	(83)	156,046
-	-	159,961	-	-	-	159,961
<u>1,674</u>	<u>18,163</u>	<u>162,204</u>	<u>11</u>	<u>5,871</u>	<u>(83)</u>	<u>2,017,448</u>
20,000	4,560,000	146,799	18,000	-	133,227	7,673,026
1,041,363	853,900	16,523	14,801	638,740	142,642	5,784,564
-	-	-	-	-	-	-
<u>1,061,363</u>	<u>5,413,900</u>	<u>163,322</u>	<u>32,801</u>	<u>638,740</u>	<u>275,869</u>	<u>13,457,590</u>
(1,059,689)	(5,395,737)	(1,118)	(32,790)	(632,869)	(275,952)	(11,440,142)
1,069,189	5,782,616	-	-	638,740	282,644	12,229,655
(7,176)	(6,776)	-	-	-	(6,776)	(3,288,011)
-	-	-	7,113	-	-	7,113
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,062,013</u>	<u>5,775,840</u>	<u>-</u>	<u>7,113</u>	<u>638,740</u>	<u>275,868</u>	<u>8,948,757</u>
2,324	380,103	(1,118)	(25,677)	5,871	(84)	(2,491,385)
193,101	241,697	303,906	43,692	631,934	31,477	8,936,307
<u>\$ 195,425</u>	<u>\$ 621,800</u>	<u>\$ 302,788</u>	<u>\$ 18,015</u>	<u>\$ 637,805</u>	<u>\$ 31,393</u>	<u>\$ 6,444,922</u>

**REVENUES:**

Taxes	
Property	
Investment Income	
Reimbursements/Refunds	
<b>Total Revenues</b>	

**EXPENDITURES:**

Debt service:	
Principal payments	
Interest and fiscal agent fees	
Bond Issuance Costs	
<b>Total Expenditures</b>	

Excess (deficiency) of revenues over expenditures

**OTHER FINANCING SOURCES (USES):**

Operating Transfers In	
Operating Transfers Out	
HUD loan payments (flow through)	
Issuance of Bonds	
Bonds Proceeds	
Bond Premiums	
<b>Total other financing sources (uses)</b>	

Net change in fund balance

Fund balance, beginning of year

Fund balance, end of year

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## Nonmajor Enterprise Funds

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Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

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***Municipal Recreation Complex-*** to account for the operation of the City's golf course and adjoining recreation facility.

***Parking Enterprise Fund-*** to account for the operation of the City's parking lots and the operation of the on-street parking meters.

***Transit Bus System-*** to account for the operation of the City's public bus system: Santa Fe Trails.

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

***Genoveva Chavez Community Center (GCCC)*** - to account for the operation of the community recreational center.

## Major Enterprise Funds Budget vs Actual

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***Waste Water Management-*** to account for the operation of the City's sewage system.

***Water Management-*** to account for the operations of the City's water utility.

***Solid Waste Management-*** to account for the operation of the City's solid waste collection service.

***Railyard Properties-*** to account for the development of 50 acres of prime real estate near the center of the City previously owned by the railroad and a private developer.

***Santa Fe Convention Center-*** to account for the operation of the City's convention center.

***College of Santa Fe-*** The College of Santa Fe fund accounts for the lease operations, debt service, and construction activities associated with the City's purchase of the college from a not-for-profit corporation and subsequent lease to Laureate Education Inc. in September of 2009

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**CITY OF SANTA FE, NEW MEXICO**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**June 30, 2010**

	<b>Municipal Recreation Complex</b>	<b>Parking Enterprise Fund</b>	<b>Transit Bus System</b>
<b>Assets</b>			
<b>Current assets:</b>			
Cash, investments and cash equivalents	\$ 374,049	\$ 1,210,214	\$ -
Restricted cash, investments and cash equivalents			
Restricted for debt service	107,536	-	-
Grants receivable	-	31,290	1,457,968
Receivable (net of allowances)			
Accounts	134,274	136,042	-
Interest receivable	2,752	3,453	977
<b>Total current assets</b>	<b>618,611</b>	<b>1,380,999</b>	<b>1,458,945</b>
<b>Noncurrent assets:</b>			
Deferred Charges (net of amortization)	285,128	-	-
<b>Capital assets:</b>			
Land and land rights	2,250,000	-	-
Buildings and structures	2,314,761	18,230,194	7,721,323
Improvements	13,783,385	113,620	766,447
Furniture and fixtures	-	25,754	9,043
Equipment and machinery	1,086,155	854,772	787,543
Vehicles	53,479	481,250	8,400,942
Data processing equipment and software	75,603	706,564	335,315
Utility Systems	-	-	-
Art	-	-	180,971
Construction in progress	171,638	129,227	230,443
Less accumulated depreciation	(15,045,023)	(3,212,887)	(8,174,497)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>4,689,998</b>	<b>17,328,494</b>	<b>10,257,530</b>
<b>Total noncurrent assets</b>	<b>4,975,126</b>	<b>17,328,494</b>	<b>10,257,530</b>
<b>Total assets</b>	<b>\$ 5,593,737</b>	<b>\$ 18,709,493</b>	<b>\$ 11,716,475</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 54,496	\$ 108,605	\$ 137,558
Miscellaneous payable	-	18,573	-
Compensated absences payable	8,350	50,680	103,803
Accrued wages payable	33,096	141,102	289,933
Deposits and escrows	605	6,943	14
Interest payable	41,702	-	-
Due to other funds	-	-	398,286
Bonds payable net of amortization	807,286	-	-
<b>Total current liabilities</b>	<b>945,535</b>	<b>325,903</b>	<b>929,594</b>
<b>Noncurrent liabilities</b>			
Bonds payable net of amortization	11,079,711	-	-
Compensated absences payable	25,049	152,041	311,411
<b>Total noncurrent liabilities</b>	<b>11,104,760</b>	<b>152,041</b>	<b>311,411</b>
<b>Total liabilities</b>	<b>12,050,295</b>	<b>477,944</b>	<b>1,241,005</b>
<b>Net assets</b>			
Invested in capital assets, net of related debt	(7,196,999)	17,328,494	10,257,530
Restricted for debt service	107,536	-	-
Unrestricted	632,905	903,055	217,940
<b>Total net assets</b>	<b>\$ (6,456,558)</b>	<b>\$ 18,231,549</b>	<b>\$ 10,475,470</b>

Airport	GCCC	Totals	
\$ 361,065	\$ 1,088,394	\$ 3,033,722	Current assets:
-	-	107,536	Cash, investments and cash equivalents
1,161,663	-	2,650,921	Restricted cash, investments and cash equivalents Restricted for debt service
-	-	270,316	Grants receivable
3,031	4,385	14,598	Receivable (net of allowances) Accounts
1,525,759	1,092,779	6,077,093	Interest receivable
			Total current assets
-	-	285,128	Noncurrent assets:
129,711	2,072,067	4,451,778	Deferred Charges (net of amortization)
2,561,334	23,306,768	54,134,380	Capital assets:
13,992,281	198,423	28,854,156	Land and land rights
-	37,525	72,322	Buildings and systems
862,384	469,602	4,060,456	Improvements
545,473	45,551	9,526,695	Furniture and fixtures
2,174	175,096	1,294,752	Equipment and machinery
-	29,820	29,820	Vehicles
-	-	180,971	Data processing equipment and software
5,244,379	847,004	6,622,691	Utility Systems
(7,933,463)	(5,937,398)	(40,303,268)	Art
15,404,273	21,244,458	68,924,753	Construction in progress
			Less accumulated depreciation
15,404,273	21,244,458	69,209,881	Total capital assets (net of accumulated depreciation)
\$ 16,930,032	\$ 22,337,237	\$ 75,286,974	Total noncurrent assets
			<b>Total assets</b>
			<b>Liabilities</b>
\$ 625,620	\$ 118,069	\$ 1,044,348	Current liabilities:
-	-	18,573	Accounts payable
28,162	40,835	231,830	Miscellaneous payable
40,853	142,029	647,013	Compensated absences payable
-	17,112	24,674	Accrued wages payable
-	-	41,702	Deposits and escrows
-	-	398,286	Interest payable
-	-	807,286	Due to other funds
694,635	318,045	3,213,712	Bonds payable net of amortization
			Total current liabilities
-	-	11,079,711	Noncurrent liabilities
84,488	122,506	695,495	Bonds payable net of amortization
84,488	122,506	11,775,206	Compensated absences payable
779,123	440,551	14,988,918	Total noncurrent liabilities
			Total liabilities
15,404,273	21,244,458	57,037,756	<b>Net assets</b>
-	-	107,536	Invested in capital assets, net of related debt
746,636	652,228	3,152,764	Restricted for debt service
\$ 16,150,909	\$ 21,896,686	\$ 60,298,056	Unrestricted
			<b>Total net assets</b>

**Enterprise Funds**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2010**

	<b>Municipal Recreation Complex</b>	<b>Parking Enterprise Fund</b>	<b>Transit Bus System</b>
<b>Operating revenues:</b>			
User fees	\$ 993,484	\$ 3,876,405	\$ 977,901
Other revenue	106,812	622,564	299,425
Total operating revenues	1,100,296	4,498,969	1,277,326
<b>Operating expenses:</b>			
Salaries, wages and benefits	378,003	2,898,693	5,948,860
Contractual services and utilities	305,155	348,258	158,917
Repairs and maintenance	12,006	148,727	471,742
Supplies	34,743	133,515	505,365
Capital outlay-inventory exempt items	100,469	5,454	157,839
Depreciation expense	235,982	514,048	701,053
Amortization expense	19,670	-	-
Insurance	32,580	115,224	210,864
Other	175,360	1,107,435	762,843
Total operating expenses	1,293,968	5,271,354	8,917,483
Operating income (loss)	(193,672)	(772,385)	(7,640,157)
<b>Non-operating revenues (expenses):</b>			
Investment income	5,138	10,493	(1,181)
Intergovernmental Grants	464,581	-	2,293,130
Gain (Loss) on sale of capital assets	-	-	-
Interest expense	(526,553)	-	-
Prem/(Discount) debt service interest	17,286	-	-
Other non-operating (expenses)/income	-	-	-
Total non-operating revenues (expenses)	(39,548)	10,493	2,291,949
Income (loss) before transfers	(233,220)	(761,892)	(5,348,208)
Transfers in	1,996,427	13,640	5,429,860
Transfers out	(5,431)	-	-
Change in net assets	1,757,776	(748,252)	81,652
Net assets, beginning of year	(8,214,334)	18,979,801	10,393,818
<b>Net assets, end of year</b>	<b>\$ (6,456,558)</b>	<b>\$ 18,231,549</b>	<b>\$ 10,475,470</b>

Airport		GCCC		Totals		
\$	447,699	\$	1,382,808	\$	7,678,297	<b>Operating revenues:</b>
	193,723		255,125		1,477,649	User fees
	641,422		1,637,933		9,155,946	Other revenue
						Total operating revenues
	816,037		2,852,485		12,894,078	<b>Operating expenses:</b>
	1,341,654		743,986		2,897,970	Salaries, wages and benefits
	14,713		130,946		778,134	Contractual services and utilities
	24,936		170,462		869,021	Repairs and maintenance
	83,662		125,797		473,221	Supplies
	1,021,207		515,203		2,987,493	Capital outlay-inventory exempt items
	-		-		19,670	Depreciation expense
	34,186		225,216		618,070	Amortization expense
	112,815		133,409		2,291,862	Insurance
						Other
	3,449,210		4,897,504		23,829,519	Total operating expenses
	(2,807,788)		(3,259,571)		(14,673,573)	Operating income (loss)
	2,092		6,377		22,919	<b>Non-operating revenues (expenses):</b>
	5,348,793		17,029		8,123,533	Investment income
	-		406		406	Intergovernmental
	-		-		(526,553)	Grants
	-		-		17,286	Gain (Loss) on sale of capital assets
	-		11,420		11,420	Interest expense
	5,350,885		35,232		7,649,011	Prem/(Discount) debt service interest
						Other non-operating (expenses) / income
						Total non-operating revenues (expenses)
	2,543,097		(3,224,339)		(7,024,562)	Income (loss) before transfers
	596,629		2,509,267		10,545,823	Transfers in
	-		-		(5,431)	Transfers out
	3,139,726		(715,072)		3,515,830	Change in net assets
	13,011,183		22,611,758		56,782,226	Net assets, beginning of year
<b>\$</b>	<b>16,150,909</b>	<b>\$</b>	<b>21,896,686</b>	<b>\$</b>	<b>60,298,056</b>	<b>Net assets, end of year</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2010**

	<b>Municipal Recreation Complex</b>	<b>Parking Enterprise Fund</b>	<b>Transit Bus System</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 1,264,133	\$ 4,539,491	\$ 1,300,954
Cash payments to suppliers for goods and services	(971,951)	(1,425,873)	(1,818,075)
Cash paid for interfund services provided and used	-	(397,080)	(640,464)
Cash payments to employees for services	(394,025)	(2,855,536)	(5,839,661)
Net cash provided (used) by operating activities:	(101,843)	(138,998)	(6,997,246)
<b>Cash flows from noncapital financing activities:</b>			
Intergovernmental	554,454	28,175	2,435,425
Transfers-in from other funds	1,996,427	13,640	5,429,860
Transfers-out to other funds	(5,431)	-	-
Net cash provided (used) by noncapital financing activities	2,545,450	41,815	7,865,285
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(675,975)	(166,274)	(867,759)
Proceeds from sale of capital assets	-	-	-
Principal paid on revenue bond maturities and notes payable	(760,000)	-	-
Interest paid on revenue bonds and notes payable	(528,928)	-	-
Net cash used for capital and related financing activities	(1,964,903)	(166,274)	(867,759)
<b>Cash flows from investing activities:</b>			
Interest and dividends on investments	2,881	14,691	(280)
Net cash provided by investing activities	2,881	14,691	(280)
Net increase (decrease) in cash and cash equivalents	481,585	(248,766)	-
Cash, investments and cash equivalents at beginning of year	-	1,458,980	-
<b>Cash, investments and cash equivalents at end of year</b>	<b>\$ 481,585</b>	<b>\$ 1,210,214</b>	<b>\$ -</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (193,672)	\$ (772,385)	\$ (7,640,157)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>			
Depreciation/amortization	255,652	514,048	701,053
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	163,837	40,522	23,628
Increase (decrease) in accounts payable	8,230	35,660	(166,267)
Increase (decrease) in compensated absences payable	(17,117)	3,092	63,959
Increase (decrease) in accrued wages payable	1,095	21,492	45,240
Increase (decrease) in miscellaneous payable	-	18,573	-
Increase (decrease) in escrow	-	-	-
Increase (decrease) in due to other funds	(319,868)	-	(24,702)
Total adjustments	91,829	633,387	642,911
<b>Net cash provided (used) by operating activities</b>	<b>\$ (101,843)</b>	<b>\$ (138,998)</b>	<b>\$ (6,997,246)</b>

Airport		GCCC		Totals	
\$	641,422	\$	1,637,933	\$	9,383,933
	(1,430,037)		(1,669,083)		(7,315,019)
	(88,476)		-		(1,126,020)
	(794,745)		(2,836,096)		(12,720,063)
	(1,671,836)		(2,867,246)		(11,777,169)
	5,263,757		303,577		8,585,388
	596,629		2,509,267		10,545,823
	-		-		(5,431)
	5,860,386		2,812,844		19,125,780
	(4,153,066)		(242,113)		(6,105,187)
	-		406		406
	-		-		(760,000)
	-		-		(528,928)
	(4,153,066)		(241,707)		(7,393,709)
	4,952		9,687		31,931
	4,952		9,687		31,931
	40,436		(286,422)		(13,167)
	320,629		1,374,816		3,154,425
\$	361,065	\$	1,088,394	\$	3,141,258
\$	(2,807,788)	\$	(3,259,571)	\$	(14,673,573)
	1,021,207		515,203		3,007,163
	-		-		227,987
	93,453		(152,038)		(180,962)
	15,498		11,483		76,915
	5,794		4,906		78,527
	-		-		18,573
	-		12,771		12,771
	-		-		(344,570)
	1,135,952		392,325		2,896,404
\$	(1,671,836)	\$	(2,867,246)	\$	(11,777,169)

Cash flows from operating activities:

Cash received from customers  
Cash payments to suppliers for goods and services  
Cash paid for interfund services provided and used  
Cash payments to employees for services

Net cash provided (used) by operating activities:

Cash flows from noncapital financing activities:

Intergovernmental  
Transfers-in from other funds  
Transfers-out to other funds

Net cash provided (used) by noncapital financing activities

Cash flows from capital and related financing activities:

Acquisition and construction of capital assets  
Proceeds from sale of capital assets  
Principal paid on revenue bond maturities and notes payable  
Interest paid on revenue bonds and notes payable

Net cash used for capital and related financing activities

Cash flows from investing activities:

Interest and dividends on investments

Net cash provided by investing activities

Net increase (decrease) in cash and cash equivalents

Cash, investments and cash equivalents at beginning of year

**Cash, investments and cash equivalents at end of year**

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)

Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:

Depreciation/amortization  
Change in assets and liabilities:  
(Increase) decrease in accounts receivable  
Increase (decrease) in accounts payable  
Increase (decrease) in compensated absences payable  
Increase (decrease) in accrued wages payable  
Increase (decrease) in miscellaneous payable  
Increase (decrease) in escrow  
Increase (decrease) in due to other funds

Total adjustments

**Net cash provided (used) by operating activities**

**CITY OF SANTA FE, NEW MEXICO**  
**Nonmajor Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Municipal Recreation Complex**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Operating revenues:</b>				
User fees	\$ 1,173,619	\$ 1,173,619	\$ 993,484	\$ (180,135)
Other revenue	118,988	118,988	106,812	(12,176)
Total operating revenues	1,292,607	1,292,607	1,100,296	(192,311)
<b>Operating expenses:</b>				
Salaries, wages and benefits	576,805	656,866	378,003	278,863
Contractual services and utilities	244,725	275,571	305,155	(29,584)
Repairs and maintenance	12,000	12,205	12,006	199
Supplies	31,050	31,335	34,743	(3,408)
Capital outlay-exempt items	457,217	1,396,703	100,469	1,296,234
Depreciation expense	-	-	235,982	(235,982)
Amortization	-	-	19,670	(19,670)
Insurance	32,575	32,575	32,580	(5)
Other	193,008	193,123	175,360	17,763
Total operating expenses	1,547,380	2,598,378	1,293,968	1,304,410
Operating income (loss)	(254,773)	(1,305,771)	(193,672)	1,112,099
<b>Non-operating revenues (expenses):</b>				
Investment income	12,154	12,154	5,138	(7,016)
Intergovernmental	384,468	514,581	464,581	(50,000)
Interest expense	(1,288,928)	(1,288,928)	(526,553)	762,375
Prem(Discount) debt service interest	-	-	17,286	17,286
Total non-operating revenues (expenses)	(892,306)	(762,193)	(39,548)	722,645
Income (loss) before transfers	(1,147,079)	(2,067,964)	(233,220)	1,834,744
Transfers in	1,026,427	1,996,427	1,996,427	-
Transfers out	(5,431)	(5,431)	(5,431)	-
Change in net assets	(126,083)	(76,968)	1,757,776	1,834,744
Net assets, beginning of year	(8,214,334)	(8,214,334)	(8,214,334)	-
<b>Net assets, end of year</b>	<b>\$ (8,340,417)</b>	<b>\$ (8,291,302)</b>	<b>\$ (6,456,558)</b>	<b>\$ 1,834,744</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Nonmajor Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Parking Enterprise Fund**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Operating revenues:</b>				
User fees	\$ 4,163,800	\$ 4,163,800	\$ 3,876,405	\$ (287,395)
Other revenue	745,000	745,000	622,564	(122,436)
Total operating revenues	4,908,800	4,908,800	4,498,969	(409,831)
<b>Operating expenses:</b>				
Salaries, wages and benefits	3,039,056	3,039,056	2,898,693	140,363
Contractual services and utilities	454,000	385,880	348,258	37,622
Repairs and maintenance	155,200	187,747	148,727	39,020
Supplies	165,700	180,872	133,515	47,357
Capital outlay-exempt items	67,200	300,778	5,454	295,324
Depreciation expense	-	-	514,048	(514,048)
Insurance	132,825	132,825	115,224	17,601
Other	907,437	919,841	1,107,435	(187,594)
Total operating expenses	4,921,418	5,146,999	5,271,354	(124,355)
Operating income (loss)	(12,618)	(238,199)	(772,385)	(534,186)
<b>Non-operating revenues (expenses):</b>				
Investment income	19,566	19,566	10,493	(9,073)
Total non-operating revenues (expenses)	(579,949)	(579,949)	10,493	590,442
Income (loss) before transfers	(592,567)	(818,148)	(761,892)	56,256
Transfers in	13,640	13,640	13,640	-
Change in net assets	(578,927)	(804,508)	(748,252)	56,256
Net assets, beginning of year	18,979,801	18,979,801	18,979,801	-
<b>Net assets, end of year</b>	<b>\$ 18,400,874</b>	<b>\$ 18,175,293</b>	<b>\$ 18,231,549</b>	<b>\$ 56,256</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Nonmajor Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Transit Bus System**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Operating revenues:</b>				
User fees	\$ 543,000	\$ 543,000	\$ 977,901	\$ 434,901
Other revenue	100,000	100,000	299,425	199,425
Total operating revenues	643,000	643,000	1,277,326	634,326
<b>Operating expenses:</b>				
Salaries, wages and benefits	5,868,191	5,851,991	5,948,860	(96,869)
Contractual services and utilities	143,700	239,225	158,917	80,308
Repairs and maintenance	351,900	707,048	471,742	235,306
Supplies	458,810	493,104	505,365	(12,261)
Capital outlay-exempt items	23,500	1,042,359	157,839	884,520
Depreciation expense	-	-	701,053	(701,053)
Insurance	210,860	210,860	210,864	(4)
Other	885,766	784,483	762,843	21,640
Total operating expenses	7,942,727	9,329,070	8,917,483	411,587
Operating income (loss)	(7,299,727)	(8,686,070)	(7,640,157)	1,045,913
<b>Non-operating revenues (expenses):</b>				
Investment income	13,608	13,608	(1,181)	(14,789)
Intergovernmental	2,361,070	2,489,910	2,293,130	(196,780)
Total non-operating revenues (expenses)	2,374,678	2,503,518	2,291,949	(211,569)
Income (loss) before transfers	(4,925,049)	(6,182,552)	(5,348,208)	834,344
Transfers in	5,768,173	5,429,860	5,429,860	-
Change in net assets	843,124	(752,692)	81,652	834,344
Net assets, beginning of year	10,393,818	10,393,818	10,393,818	-
<b>Net assets, end of year</b>	<b>\$ 11,236,942</b>	<b>\$ 9,641,126</b>	<b>\$ 10,475,470</b>	<b>\$ 834,344</b>

CITY OF SANTA FE, NEW MEXICO  
Nonmajor Enterprise Fund  
Schedule of Revenues, Expenses and  
Changes in Net Assets Budget and Actual  
Airport  
For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Operating revenues:</b>				
User fees	\$ 505,500	\$ 505,500	\$ 447,699	\$ (57,801)
Other revenue	198,402	198,402	193,723	(4,679)
Total operating revenues	703,902	703,902	641,422	(62,480)
<b>Operating expenses:</b>				
Salaries, wages and benefits	976,983	976,983	816,037	160,946
Contractual services and utilities	1,594,420	1,315,470	1,341,654	(26,184)
Repairs and maintenance	18,168	18,468	14,713	3,755
Supplies	28,600	29,740	24,936	4,804
Capital outlay-exempt items	2,000	5,071,163	83,662	4,987,501
Depreciation expense	-	-	1,021,207	(1,021,207)
Insurance	41,473	41,473	34,186	7,287
Other	96,859	98,559	112,815	(14,256)
Total operating expenses	2,758,503	7,551,856	3,449,210	4,102,646
Operating income (loss)	(2,054,601)	(6,847,954)	(2,807,788)	4,040,166
<b>Non-operating revenues (expenses):</b>				
Investment income	23,337	7,037	2,092	(4,945)
Intergovernmental	1,515,000	6,879,947	5,348,793	(1,531,154)
Total non-operating revenues (expenses)	1,538,337	6,886,984	5,350,885	(1,536,099)
Income (loss) before transfers	(516,264)	39,030	2,543,097	2,504,067
Transfers in	485,601	596,629	596,629	-
Change in net assets	(30,663)	635,659	3,139,726	2,504,067
Net assets, beginning of year	13,011,183	13,011,183	13,011,183	-
<b>Net assets, end of year</b>	<b>\$ 12,980,520</b>	<b>\$ 13,646,842</b>	<b>\$ 16,150,909</b>	<b>\$ 2,504,067</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Nonmajor Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Genoveva Chavez Community Center**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Operating revenues:</b>				
User fees	\$ 1,391,674	\$ 1,391,674	\$ 1,382,808	\$ (8,866)
Other revenue	275,407	275,407	255,125	(20,282)
Total operating revenues	1,667,081	1,667,081	1,637,933	(29,148)
<b>Operating expenses:</b>				
Salaries, wages and benefits	2,823,825	2,896,964	2,852,485	44,479
Contractual services and utility	706,332	723,303	743,986	(20,683)
Repairs and maintenance	148,619	155,478	130,946	24,532
Supplies	209,748	192,344	170,462	21,882
Capital outlay-exempt items	166,084	631,755	125,797	505,958
Depreciation expense	-	-	515,203	(515,203)
Insurance	232,712	232,712	225,216	7,496
Other	92,790	127,481	133,409	(5,928)
Total operating expenses	4,380,110	4,960,037	4,897,504	62,533
Operating income (loss)	(2,713,029)	(3,292,956)	(3,259,571)	33,385
<b>Non-operating revenues (expenses):</b>				
Investment income	20,456	5,081	6,377	1,296
Intergovernmental	121,108	17,029	17,029	-
Gain/(loss) on sale of capital assets	-	-	406	406
Other non-operating (expenses) / income	-	-	11,420	-
Total non-operating revenues (expenses)	141,564	22,110	35,232	1,702
Income (loss) before transfers	(2,571,465)	(3,270,846)	(3,224,339)	46,507
Transfers in	2,626,401	2,509,267	2,509,267	-
Change in net assets	54,936	(761,579)	(715,072)	46,507
Net assets, beginning of year	22,611,758	22,611,758	22,611,758	-
<b>Net assets, end of year</b>	<b>\$ 22,666,694</b>	<b>\$ 21,850,179</b>	<b>\$ 21,896,686</b>	<b>\$ 46,507</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Major Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Waste Water Management**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Operating revenues:</b>				
User fees	\$ 8,597,552	\$ 8,597,552	\$ 10,292,213	\$ 1,694,661
Other revenue	-	-	7,158	7,158
<b>Total operating revenues</b>	<b>8,597,552</b>	<b>8,597,552</b>	<b>10,299,371</b>	<b>1,701,819</b>
<b>Operating expenses:</b>				
Salaries, wages and benefits	5,160,956	5,674,664	4,646,307	1,028,357
Contractual services and utilities	1,303,466	1,363,678	970,422	393,256
Repairs and maintenance	873,300	1,244,902	731,892	513,010
Supplies	567,688	684,643	583,739	100,904
Capital outlay-exempt items	144,990	3,104,189	21,754	3,082,435
Depreciation expense	-	-	3,663,342	(3,663,342)
Amortization expense	-	-	34,639	(34,639)
Insurance	305,642	319,675	319,675	-
Other	880,369	938,050	941,581	(3,531)
<b>Total operating expenses</b>	<b>9,236,411</b>	<b>13,329,801</b>	<b>11,913,351</b>	<b>1,416,450</b>
<b>Operating income (loss)</b>	<b>(638,859)</b>	<b>(4,732,249)</b>	<b>(1,613,980)</b>	<b>3,118,269</b>
<b>Non-operating revenues (expenses):</b>				
Investment income	156,093	156,174	138,777	(17,397)
Gain(loss) on sale of capital assets	-	-	(3,902)	(3,902)
Intergovernmental				
State-shared taxes	1,827,747	1,708,747	1,747,319	38,572
Grants	-	585,522	180,749	(404,773)
Interest expense	(2,505,925)	(2,505,925)	(434,426)	2,071,499
Prem/(Discount) debt service interest	-	-	34,927	34,927
<b>Total non-operating revenues (expenses)</b>	<b>(522,085)</b>	<b>(55,482)</b>	<b>1,663,444</b>	<b>1,718,926</b>
<b>Income (loss) before transfers</b>	<b>(1,160,944)</b>	<b>(4,787,731)</b>	<b>49,464</b>	<b>4,837,195</b>
Transfers in	44,400	63,654	63,654	-
Transfers out	-	(33,333)	(33,333)	-
<b>Change in net assets</b>	<b>(1,116,544)</b>	<b>(4,757,410)</b>	<b>79,785</b>	<b>4,837,195</b>
<b>Net assets, beginning of year</b>	<b>33,908,079</b>	<b>33,908,079</b>	<b>33,908,079</b>	<b>-</b>
<b>Net assets, end of year</b>	<b>\$ 32,791,535</b>	<b>\$ 29,150,669</b>	<b>\$ 33,987,864</b>	<b>\$ 4,837,195</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Major Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Water Management**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Operating revenues:</b>				
User fees	\$ 32,567,797	\$ 32,642,676	\$ 30,023,803	\$ (2,618,873)
Other revenue	35,808	78,460	212,958	134,498
Total operating revenues	32,603,605	32,721,136	30,236,761	(2,484,375)
<b>Operating expenses:</b>				
Salaries, wages and benefits	7,338,587	9,610,835	8,082,221	1,528,614
Contractual services and utilities	7,741,551	11,258,955	4,248,559	7,010,396
Repairs and maintenance	978,110	1,323,025	794,214	528,811
Supplies	1,093,727	1,323,071	967,731	355,340
Capital outlay-exempt items	5,824,039	39,825,749	63,276	39,762,473
Depreciation expense	-	439	5,460,438	(5,459,999)
Amortization	-	-	93,747	(93,747)
Insurance	290,897	338,674	338,686	(12)
Other	1,707,856	1,921,267	1,783,449	137,818
Total operating expenses	24,974,767	65,602,015	21,832,321	43,769,694
Operating income (loss)	7,628,838	(32,880,879)	8,404,440	41,285,319
<b>Non-operating revenues (expenses):</b>				
Investment income	1,472,363	772,748	674,811	(97,937)
Intergovernmental				
State-shared taxes	7,128,393	6,796,611	6,957,220	160,609
Grants		8,003,461	8,812,197	808,736
Gain on sale of capital assets	-	-	4,403	4,403
Interest expense	(5,481,589)	(7,492,297)	(674,811)	6,817,486
Prem/(Discount) debt service interest	-	-	137,901	137,901
Total non-operating revenues (expenses)	3,119,167	8,080,523	15,911,721	7,831,198
Income (loss) before transfers	10,748,005	(24,800,356)	24,316,161	49,116,517
Transfers in	77,198	85,209	85,209	-
Transfers out	(2,000,000)	(259,901)	(259,901)	-
Change in net assets	8,825,203	(24,975,048)	24,141,469	49,116,517
Net assets, beginning of year	124,640,987	124,640,987	124,640,987	-
<b>Net assets, end of year</b>	<b>\$ 133,466,190</b>	<b>\$ 99,665,939</b>	<b>\$ 148,782,456</b>	<b>\$ 49,116,517</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Nonmajor Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Solid Waste Management**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Operating revenues:</b>				
User fees	\$ 8,938,400	\$ 8,938,400	\$ 9,111,508	\$ 173,108
Other revenues	-	-	66,581	66,581
Total operating revenues	8,938,400	8,938,400	9,178,089	239,689
<b>Operating expenses:</b>				
Salaries, wages and benefits	3,848,529	4,467,232	4,212,503	254,729
Contractual services and utilities	3,152,680	3,202,749	1,986,883	1,215,866
Repairs and maintenance	466,401	510,423	399,125	111,298
Supplies	721,761	781,438	580,249	201,189
Capital outlay-exempt items	1,092,776	1,594,234	250,708	1,343,526
Amortization expense	-	-	21,163	(21,163)
Depreciation expense	-	-	875,807	(875,807)
Insurance	142,134	156,996	157,004	(8)
Other	809,075	863,079	865,561	(2,482)
Total operating expenses	10,233,356	11,576,151	9,349,003	2,227,148
Operating income (loss)	(1,294,956)	(2,637,751)	(170,914)	2,466,837
<b>Non-operating revenues (expenses):</b>				
Investment income	85,379	85,465	76,895	(8,570)
Intergovernmental				
State-shared taxes	1,826,356	1,707,356	1,747,049	39,693
Gain (Loss) on sale of capital assets			11,714	11,714
Interest expense	(1,304,160)	(1,304,160)	(611,716)	692,444
Prem/(Discount) debt service interest	-	-	18,110	18,110
Total non-operating revenues (expenses)	607,575	488,661	1,242,052	753,391
Income (loss) before transfers	(687,381)	(2,149,090)	1,071,138	3,220,228
Transfers in	38,423	53,366	53,366	-
Change in net assets	(648,958)	(2,095,724)	1,124,504	3,220,228
Net assets, beginning of year	(301,450)	(301,450)	(301,450)	-
<b>Net assets, end of year</b>	<b>\$ (950,408)</b>	<b>\$ (2,397,174)</b>	<b>\$ 823,054</b>	<b>\$ 3,220,228</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Major Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Railyard Property**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Operating revenues:</b>				
Facilities rental	\$ 564,974	\$ 558,911	\$ 561,147	\$ 2,236
Total operating revenues	564,974	558,911	561,147	2,236
<b>Operating expenses:</b>				
Salaries, wages and benefits	-	25,000	-	25,000
Contractual services and utility	34,538	34,538	59,538	(25,000)
Capital outlay-exempt items	-	1,347,302	-	1,347,302
Depreciation expense	-	-	1,127,192	(1,127,192)
Other operating	5,000	5,000	5,003	(3)
Total operating expenses	39,538	1,411,840	1,191,733	220,107
Operating income (loss)	525,436	(852,929)	(630,586)	222,343
<b>Non-operating revenues (expenses):</b>				
Investment income	2,686	2,686	8,902	6,216
Intergovernmental	-	508,683	50,154	(458,529)
Interest expense	(1,177,645)	(1,177,645)	(550,250)	627,395
Total non-operating revenues (expenses)	(1,174,959)	(666,276)	(491,194)	175,082
Income (loss) before transfers	(649,523)	(1,519,205)	(1,121,780)	397,425
Transfers in	975,875	1,181,126	1,181,126	-
Transfers out	(352,430)	(352,430)	(352,430)	-
Change in net assets	(26,078)	(690,509)	(293,084)	397,425
Net assets, beginning of year	39,476,041	39,476,041	39,476,041	-
<b>Net assets, end of year</b>	<b>\$ 39,449,963</b>	<b>\$ 38,785,532</b>	<b>\$ 39,182,957</b>	<b>\$ 397,425</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Major Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Santa Fe Convention Center**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Operating revenues:</b>				
User fees	\$ -	\$ -	\$ 397,686	\$ 397,686
Other revenue	320,500	422,500	11,060	(411,440)
Total operating revenues	320,500	422,500	408,746	(13,754)
<b>Operating expenses:</b>				
Salaries, wages and benefits	657,839	657,839	773,829	(115,990)
Contractual services and utilities	480,958	485,026	498,045	(13,019)
Repairs and maintenance	80,400	80,400	32,156	48,244
Supplies	149,700	150,946	88,165	62,781
Capital outlay-exempt items	15,000	2,020,639	64,888	1,955,751
Depreciation expense	-	-	1,297,639	(1,297,639)
Amortization expense	-	-	19,961	(19,961)
Insurance	81,369	81,369	81,372	(3)
Other	294,396	570,111	170,677	399,434
Total operating expenses	1,759,662	4,046,330	3,026,732	1,019,598
Operating income (loss)	(1,439,162)	(3,623,830)	(2,617,986)	1,005,844
<b>Non-operating revenues (expenses):</b>				
Interest income	80,754	80,754	72,196	(8,558)
Intergovernmental	106,500	63,544	55,532	(8,012)
Interest Expense	(3,355,325)	(3,355,325)	(2,343,541)	1,011,784
Prem/(Discount) debt service interest			89,365	89,365
Total non-operating revenues (expenses)	(3,168,071)	(3,211,027)	(2,126,448)	995,214
Income (loss) before transfers	(4,607,233)	(6,834,857)	(4,744,434)	2,001,058
Transfers in	4,432,498	4,433,354	4,333,354	(100,000)
Transfers out	-	(26,741)	(26,741)	-
Change in net assets	(174,735)	(2,428,244)	(437,821)	1,901,058
Net assets, beginning of year	17,877,784	17,877,784	17,877,784	-
<b>Net assets, end of year</b>	<b>\$ 17,703,049</b>	<b>\$ 15,449,540</b>	<b>\$ 17,439,963</b>	<b>\$ 1,990,423</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Major Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**College of Santa Fe**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
User fees				\$ -
Other revenue	\$ -	\$ 2,086,250	\$ 2,092,884	\$ 6,634
Total operating revenues	-	2,086,250	2,092,884	6,634
<b>Operating expenses:</b>				
Salaries, wages and benefits				-
Contractual services and utilities	-	665,000	307,057	357,943
Repairs and maintenance	-	-	1,175,403	(1,175,403)
Supplies	-	232	232	-
Capital outlay-exempt items		36,100,000		36,100,000
Depreciation expense	-	-	727,998	(727,998)
Amortization expense				-
Insurance	-	-	9,259	(9,259)
Other	-	100,000	100,310	(310)
Total operating expenses	-	36,865,232	2,320,259	34,544,973
Operating income (loss)	-	(34,778,982)	(227,375)	34,551,607
<b>Non-operating revenues (expenses):</b>				
Interest income	-	113,210	115,829	2,619
Intergovernmental		-	-	-
Gain (Loss) on sale of capital assets		-	-	-
Donated land	-	-	16,683,838	16,683,838
Interest expense	-	(1,008,194)	(115,829)	892,365
Other non-operating expenses	-	-	-	-
Total non-operating revenues (expenses)	-	(894,984)	16,683,838	17,578,822
Income (loss) before transfers	-	(35,673,966)	16,456,463	52,130,429
Transfers in	-	150,000	150,000	-
Transfers out				-
Change in net assets	-	(35,523,966)	16,606,463	52,130,429
Net assets, beginning of year				-
<b>Net assets, end of year</b>	<b>\$ -</b>	<b>\$ (35,523,966)</b>	<b>\$ 16,606,463</b>	<b>\$ 52,130,429</b>

## Internal Service Funds

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Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the City on a cost reimbursement basis.

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***Risk Management*** – to account for the premiums, claims and operating costs of the property and liability insurance program. Costs are billed to departments protected by risk management coverage.

***Santa Fe Health*** – to account for the cost of operating a self-insured health insurance program. The City contributes 76.50% of the costs and the employee contributes 23.50%.

***Worker's Compensation*** – to account for the cost of operating a self-insured worker's compensation program.

***Retiree Health Care*** – to account for the cost of operating the retiree health care program for the benefit of City of Santa Fe retirees.

***Union Sick Leave Bank*** – to account for donations of leave from union employees to support other union employees in need of leave.

***Santa Fe Dental*** - to account for the cost of operating a self-insured dental insurance program. The City contributes 60.00% of the costs and the employee contributes 40.00%.

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**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Funds**  
**Combining Statement of Net Assets**  
**June 30, 2010**

	Risk Management	Santa Fe Health	Worker's Compensation	Retiree Health Care	Union Sick Leave Bank	Santa Fe Dental	Totals
<b>Assets</b>							
Current assets:							
Cash, investments and cash equivalents	\$ 4,874,620	\$ 9,436,445	\$ 3,439,601	\$ -	\$ 31,318	\$ 14,668	\$ 17,796,652
Accounts receivable	-	-	-	-	-	-	-
Interest receivable	20,093	35,402	12,945	-	-	513	68,953
Other receivable	-	-	-	-	-	-	-
Prepaid expense	-	-	-	-	-	60,000	60,000
Total current assets	4,894,713	9,471,847	3,452,546	-	31,318	75,181	17,925,605
Noncurrent assets:							
Deferred charges (net of amortization)	-	-	-	-	-	-	-
Noncurrent assets:							
Capital assets:							
Furniture and fixtures	34,818	-	-	-	-	-	34,818
Less accumulated depreciation	(21,626)	-	-	-	-	-	(21,626)
Equipment and machinery	12,910	-	-	-	-	-	12,910
Less accumulated depreciation	(12,910)	-	-	-	-	-	(12,910)
Data processing equipment and software	5,307	-	-	-	-	-	5,307
Less accumulated depreciation	(5,307)	-	-	-	-	-	(5,307)
Vehicles	35,829	-	-	-	-	-	35,829
Less accumulated depreciation	(16,188)	-	-	-	-	-	(16,188)
Total capital assets (net of accum depreciation)	32,833	-	-	-	-	-	32,833
Total noncurrent assets	32,833	-	-	-	-	-	32,833
<b>Total assets</b>	<b>4,927,546</b>	<b>9,471,847</b>	<b>3,452,546</b>	<b>-</b>	<b>31,318</b>	<b>75,181</b>	<b>17,958,438</b>
<b>Liabilities</b>							
Current liabilities:							
Accounts payable	124,343	274,567	12,216	-	-	56,867	467,993
Compensated absences payable	85,918	-	-	-	-	-	85,918
Accrued wages payable	32,961	-	-	-	-	-	32,961
Claims payable	2,156,445	449,260	3,829,677	-	-	-	6,435,382
Other payables	-	-	221	-	-	-	221
Notes payable-current	-	-	-	-	-	-	-
Total current liabilities	2,399,667	723,827	3,842,114	-	-	56,867	7,022,475
Noncurrent liabilities							
Notes payable-noncurrent	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-
Total liabilities	2,399,667	723,827	3,842,114	-	-	56,867	7,022,475
<b>Net Assets</b>							
Invested in capital assets, net of related debt	32,833	-	-	-	-	-	32,833
Unrestricted	2,495,046	8,748,020	(389,568)	-	31,318	18,314	10,903,130
Total net assets	\$ 2,527,879	\$ 8,748,020	\$ (389,568)	\$ -	\$ 31,318	\$ 18,314	\$ 10,935,963

The notes to the financial statements are an integral part of this statement.

**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Assets**  
**For the Year Ended June 30, 2010**

	Risk Management	Santa Fe Health	Worker's Compensation	Retiree Health Care	Union Sick Leave Bank	Santa Fe Dental	Totals
<b>Operating revenues:</b>							
User fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Premiums	\$ 3,750,340	\$ 14,586,416	\$ 1,625,742	\$ -	\$ 38,503	\$ 628,750	\$ 20,629,751
Other Revenue	129,546	25,082	11,817	-	-	-	166,445
<b>Total operating revenues</b>	<b>3,879,886</b>	<b>14,611,498</b>	<b>1,637,559</b>	<b>-</b>	<b>38,503</b>	<b>628,750</b>	<b>20,796,196</b>
<b>Operating expenses:</b>							
Salaries, wages and fringe benefits	743,385	-	-	-	73,910	-	817,295
Contractual services and utilities	230,127	592,213	53,750	-	-	48,186	924,276
Repairs and maintenance	1,119	-	-	-	-	-	1,119
Capital outlay - inventory exempt items	1,832	-	-	-	-	-	1,832
Supplies	65,309	-	-	-	-	-	65,309
Depreciation expense	13,355	-	-	-	-	-	13,355
Insurance premiums	2,354,823	424,318	-	27,172	-	-	2,806,313
Claims and judgements	744,785	12,008,250	2,005,451	-	-	563,272	15,321,758
Excess insurance	-	596,552	101,208	-	-	-	697,760
Workers comp administration fee	-	-	-	-	-	-	-
Other	1,671	-	19,681	-	-	-	21,352
<b>Total operating expenses</b>	<b>4,156,406</b>	<b>13,621,333</b>	<b>2,180,090</b>	<b>27,172</b>	<b>73,910</b>	<b>611,458</b>	<b>20,670,369</b>
<b>Operating income (loss)</b>	<b>(276,520)</b>	<b>990,165</b>	<b>(542,531)</b>	<b>(27,172)</b>	<b>(35,407)</b>	<b>17,292</b>	<b>125,827</b>
<b>Non-operating revenues (expenses):</b>							
Investment income	43,160	83,615	28,870	-	-	1,022	156,667
Sale of capital assets	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Gain (Loss) on sale of fixed assets	-	-	-	-	-	-	-
<b>Total non-operating revenues (expenses)</b>	<b>43,160</b>	<b>83,615</b>	<b>28,870</b>	<b>-</b>	<b>-</b>	<b>1,022</b>	<b>156,667</b>
<b>Income (loss) before transfers</b>	<b>(233,360)</b>	<b>1,073,780</b>	<b>(513,661)</b>	<b>(27,172)</b>	<b>(35,407)</b>	<b>18,314</b>	<b>282,494</b>
<b>Other Financing Sources (uses):</b>							
Transfers in	626	-	-	-	-	-	626
Transfers out	-	(1,000,000)	(597,828)	-	-	-	(1,597,828)
<b>Total other financing sources (uses)</b>	<b>626</b>	<b>(1,000,000)</b>	<b>(597,828)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,597,202)</b>
<b>Change in net assets</b>	<b>(232,734)</b>	<b>73,780</b>	<b>(1,111,489)</b>	<b>(27,172)</b>	<b>(35,407)</b>	<b>18,314</b>	<b>(1,314,708)</b>
<b>Net Assets, beginning of year (as previously stated)</b>	<b>2,760,613</b>	<b>8,674,240</b>	<b>721,921</b>	<b>27,172</b>	<b>66,725</b>	<b>-</b>	<b>12,183,946</b>
<b>Adjustment to net assets:</b>							
GASB 34 Reclassification	-	-	-	-	-	-	-
<b>Net assets, beginning of year</b>	<b>2,760,613</b>	<b>8,674,240</b>	<b>721,921</b>	<b>27,172</b>	<b>66,725</b>	<b>-</b>	<b>12,250,671</b>
<b>Net assets, end of year</b>	<b>\$ 2,527,879</b>	<b>\$ 8,748,020</b>	<b>\$ (389,568)</b>	<b>\$ -</b>	<b>\$ 31,318</b>	<b>\$ 18,314</b>	<b>\$ 10,935,963</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2010**

	Risk Management	Santa Fe Health	Worker's Compensation	Retiree Health Care	Union Sick Leave Bank	Santa Fe Dental	Totals
<b>Cash flows from operating activities:</b>							
Cash received from customers	\$ 129,546	\$ 14,611,498	\$ 11,817	\$ -	\$ 38,503	\$ 628,750	\$ 15,420,114
Cash received from interfund services provided and used	3,750,340	-	1,625,742	-	-	-	5,376,082
Cash payments to suppliers for goods and services	(3,756,312)	(13,913,189)	(1,237,492)	(27,172)	(77,145)	(614,591)	(19,625,901)
Cash payments to employees for services	(808,568)	-	(1,536)	-	-	-	(810,104)
<b>Net cash (used) by operating activities</b>	<b>(684,994)</b>	<b>698,309</b>	<b>398,531</b>	<b>(27,172)</b>	<b>(38,642)</b>	<b>14,159</b>	<b>360,191</b>
<b>Cash flows from noncapital financing activities:</b>							
Transfers-in from other funds	626	-	-	-	-	-	626
Transfers-out to other funds	-	(1,000,000)	(597,828)	-	-	-	(1,597,828)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>626</b>	<b>(1,000,000)</b>	<b>(597,828)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,597,202)</b>
<b>Cash flows from investing activities:</b>							
Interest and dividends on investments	48,926	95,005	33,421	-	-	509	177,861
<b>Net cash provided by investing activities</b>	<b>48,926</b>	<b>95,005</b>	<b>33,421</b>	<b>-</b>	<b>-</b>	<b>509</b>	<b>177,861</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(635,442)</b>	<b>(206,686)</b>	<b>(165,876)</b>	<b>(27,172)</b>	<b>(38,642)</b>	<b>14,668</b>	<b>(1,059,150)</b>
Cash, investments & cash equivalents at beg of year	5,510,062	9,643,131	3,605,477	27,172	69,960	-	18,855,802
<b>Cash, investments &amp; cash equivalents at end of year</b>	<b>\$ 4,874,620</b>	<b>\$ 9,436,445</b>	<b>\$ 3,439,601</b>	<b>\$ -</b>	<b>\$ 31,318</b>	<b>\$ 14,668</b>	<b>\$ 17,796,652</b>
<b>Reconciliation of operating income (loss) to cash provided (used) by operating activities:</b>							
Operating income (loss)	\$ (276,520)	\$ 990,165	\$ (542,531)	\$ (27,172)	\$ (35,407)	\$ 17,292	\$ 125,827
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>							
Depreciation	13,355	-	-	-	-	-	13,355
Change in assets and liabilities:							
Increase (decrease) in prepaid expense	-	-	-	-	-	(60,000)	(60,000)
Increase (decrease) in accounts payable	(39,856)	147,311	(3,560)	-	-	56,867	160,762
Increase (decrease) in compensated abs. payable	(60,020)	-	-	-	-	-	(60,020)
Increase (decrease) in accrued wages payable	(5,163)	-	(1,536)	-	(3,235)	-	(9,934)
Increase (decrease) in claims payable	(316,790)	(439,167)	946,158	-	-	-	190,201
Total adjustments	(408,474)	(291,856)	941,062	-	(3,235)	(3,133)	234,364
<b>Net cash (used) by operating activities</b>	<b>\$ (684,994)</b>	<b>\$ 698,309</b>	<b>\$ 398,531</b>	<b>\$ (27,172)</b>	<b>\$ (38,642)</b>	<b>\$ 14,159</b>	<b>\$ 360,191</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets - Budget and Actual**  
**Risk Management**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Operating revenues:</b>				
Premiums	\$ 3,747,470	\$ 3,747,470	\$ 3,750,340	\$ 2,870
Other Revenues	43,000	43,000	129,546	86,546
<b>Total operating revenues</b>	<b>3,790,470</b>	<b>3,790,470</b>	<b>3,879,886</b>	<b>89,416</b>
<b>Operating expenses:</b>				
Salaries, wages and fringe benefits	768,599	816,322	743,385	72,937
Contractual services and utilities	255,590	344,944	230,127	114,817
Repairs and maintenance	2,500	2,500	1,119	1,381
Supplies	38,450	76,506	65,309	11,197
Capital outlay - inventory exempt items	2,369	2,369	1,832	11,197
Depreciation expense	-	-	13,355	(13,355)
Insurance premiums	2,454,311	2,459,211	2,354,823	104,388
Claims and judgements	980,000	994,431	744,785	249,646
Other	3,200	3,200	1,671	1,529
<b>Total operating expenses</b>	<b>4,505,019</b>	<b>4,699,483</b>	<b>4,156,406</b>	<b>553,737</b>
<b>Operating income (loss)</b>	<b>(714,549)</b>	<b>(909,013)</b>	<b>(276,520)</b>	<b>632,493</b>
<b>Non-operating revenues (expenses):</b>				
Investment income	91,604	45,204	43,160	(2,044)
<b>Total non-operating revenues (expenses)</b>	<b>91,604</b>	<b>45,204</b>	<b>43,160</b>	<b>(2,044)</b>
<b>Income (loss) before operating transfers</b>	<b>(622,945)</b>	<b>(863,809)</b>	<b>(233,360)</b>	<b>630,449</b>
<b>Other Financing Sources (uses):</b>				
Transfers in	626	626	626	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>626</b>	<b>626</b>	<b>626</b>	<b>-</b>
<b>Change in net assets</b>	<b>(622,319)</b>	<b>(863,183)</b>	<b>(232,734)</b>	<b>630,449</b>
<b>Net assets, beginning of year</b>	<b>2,760,613</b>	<b>2,760,613</b>	<b>2,760,613</b>	<b>-</b>
<b>Net assets, end of year</b>	<b>\$ 2,138,294</b>	<b>\$ 1,897,430</b>	<b>\$ 2,527,879</b>	<b>\$ 630,449</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets - Budget and Actual**  
**Santa Fe Health**  
**For the Year Ended June 30, 2010**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Operating revenues:</b>				
Premiums	\$ 16,893,361	\$ 16,893,361	\$ 14,586,416	\$ (2,306,945)
Other Revenues	-	-	25,082	-
Total operating revenues	16,893,361	16,893,361	14,611,498	(2,281,863)
<b>Operating expenses:</b>				
Contractual services and utilities	494,312	494,312	592,213	(97,901)
Insurance premiums	535,750	535,750	424,318	111,432
Claims and judgements	15,273,759	15,322,849	12,008,250	3,314,599
Excess insurance	589,540	599,962	596,552	3,410
Other	-	-	-	-
Total operating expenses	16,893,361	16,952,873	13,621,333	3,331,540
Operating income (loss)	-	(59,512)	990,165	1,024,595
<b>Non-operating revenues (expenses):</b>				
Investment income	133,405	83,555	83,615	60
Total non-operating revenues (expenses)	133,405	83,555	83,615	60
Income (loss) before transfers	133,405	24,043	1,073,780	1,024,655
<b>Other Financing Sources (uses):</b>				
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	(1,000,000)	(1,000,000)	(1,000,000)	-
Change in net assets	(866,595)	(975,957)	73,780	1,049,737
Net assets, beginning of year	8,674,240	8,674,240	8,674,240	-
<b>Net assets, end of year</b>	<b>\$ 7,807,645</b>	<b>\$ 7,698,283</b>	<b>\$ 8,748,020</b>	<b>\$ 1,049,737</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets - Budget and Actual**  
**Worker's Compensation**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Operating revenues:</b>				
Premiums	\$ 1,260,473	\$ 1,260,473	\$ 1,625,742	\$ 365,269
Other revenues	20,000	20,000	11,817	(8,183)
Total operating revenues	1,280,473	1,280,473	1,637,559	357,086
<b>Operating expenses:</b>				
Salaries, wages and fringe benefits	-	-	-	-
Contractual services and utilities	60,000	60,000	53,750	6,250
Claims and judgements	900,000	900,000	2,005,451	(1,105,451)
Excess insurance	125,000	125,000	101,208	23,792
Other	300	300	19,681	(19,381)
Total operating expenses	1,085,300	1,085,300	2,180,090	(1,094,790)
Operating income (loss)	195,173	195,173	(542,531)	(729,521)
<b>Non-operating revenues (expenses):</b>				
Investment income	57,809	28,839	28,870	31
Total non-operating revenues (expenses)	57,809	28,839	28,870	31
Income (loss) before transfers	252,982	224,012	(513,661)	(729,490)
<b>Other Financing Sources (uses):</b>				
Transfers out	(617,197)	(617,197)	(597,828)	19,369
Total other financing sources (uses)	(617,197)	(617,197)	(597,828)	19,369
Change in net assets	(364,215)	(393,185)	(1,111,489)	(718,304)
Net assets, beginning of year	721,921	721,921	721,921	-
<b>Net assets, end of year</b>	<b>\$ 357,706</b>	<b>\$ 328,736</b>	<b>\$ (389,568)</b>	<b>\$ (718,304)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets - Budget and Actual**  
**Retiree Health Care**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Other Revenues	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
<b>Operating expenses:</b>				
Insurance premiums	-	-	27,172	(27,172)
Total operating expenses	-	-	27,172	(27,172)
Operating income (loss)	-	-	(27,172)	(27,172)
<b>Non-operating revenues (expenses):</b>				
Investment income	-	-	-	-
Total non-operating revenues (expenses)	-	-	-	-
Income (loss) before transfers	-	-	(27,172)	(27,172)
<b>Other Financing Sources (uses);</b>				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Change in net assets	-	-	(27,172)	(27,172)
Net assets, beginning of year	27,172	27,172	27,172	-
<b>Net assets, end of year</b>	<b>\$ 27,172</b>	<b>\$ 27,172</b>	<b>\$ -</b>	<b>\$ (27,172)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets - Budget and Actual**  
**Union Sick Leave Bank**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Donations	\$ -	\$ -	\$ 38,503	\$ 38,503
Total operating revenues	-	-	38,503	38,503
<b>Operating expenses:</b>				
Salaries, wages and fringe benefits	-	-	73,910	(73,910)
Total operating expenses	-	-	73,910	(73,910)
Operating income (loss)	-	-	(35,407)	(35,407)
Change in net assets	-	-	(35,407)	(35,407)
 Net assets, beginning of year	 66,725	 66,725	 66,725	 -
<b>Net assets, end of year</b>	<b>\$ 66,725</b>	<b>\$ 66,725</b>	<b>\$ 31,318</b>	<b>\$ (35,407)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets - Budget and Actual**  
**Santa Fe Dental**  
**For the Year Ended June 30, 2010**

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Premiums	\$ -	\$ -	\$ 628,750	\$ 628,750
Other Revenues	-	-	-	-
Total operating revenues	-	-	628,750	628,750
<b>Operating expenses:</b>				
Contractual services and utilities	-	-	48,186	(48,186)
Insurance premiums	-	-	-	-
Claims and judgements	-	-	563,272	(563,272)
Other	-	-	-	-
Total operating expenses	-	-	611,458	(611,458)
Operating income (loss)	-	-	17,292	17,292
<b>Non-operating revenues (expenses):</b>				
Investment income	-	-	1,022	1,022
Total non-operating revenues (expenses)	-	-	1,022	1,022
Income (loss) before transfers	-	-	18,314	18,314
<b>Other Financing Sources (uses):</b>				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Change in net assets	-	-	18,314	18,314
Net assets, beginning of year	-	-	-	-
<b>Net assets, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,314</b>	<b>\$ 18,314</b>

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## **Capital Assets Used in the Operation of Governmental Fund**

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**CITY OF SANTA FE, NEW MEXICO**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedule By Source**  
**June 30, 2010 and 2009**

	2010	2009
Governmental Funds Capital Assets:		
Land	\$ 169,562,174	\$ 167,563,753
Buildings	54,376,522	43,413,765
Improvements	36,149,085	22,412,524
Equipment and machinery	15,763,529	15,246,727
Furniture and fixtures	831,196	579,702
Vehicles	20,238,503	19,504,714
Data processing and Software	11,670,462	11,237,037
Construction in progress	17,132,182	43,927,406
Art	922,920	922,920
Traffic Signals	23,222,048	22,188,486
Streets	191,454,881	178,509,865
Bridges	2,109,269	2,109,269
<b>Total governmental funds capital assets</b>	<b>\$ 543,432,771</b>	<b>\$ 527,616,168</b>
Investment in Governmental Funds Capital Assets by sources:		
General Fund	335,072,765	335,584,832
Special Revenue Funds	19,418,625	17,236,918
Capital Project Funds	178,341,898	164,194,935
Other Sources	9,875,360	9,875,360
Donations	724,123	724,123
<b>Total governmental funds capital assets</b>	<b>\$ 543,432,771</b>	<b>\$ 527,616,168</b>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF SANTA FE, NEW MEXICO**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Function and Activity**  
**June 30, 2010**

Function and Activity	Land	Buildings	Improvements	Equipment and Machinery	Furniture and Fixtures	Vehicles
<b>General Government:</b>						
City Manager	\$ 25,668,001	\$ 29,358,090	\$ 5,403,906	\$ 119,009	\$ -	\$ -
City Clerk	-	-	-	286,843	22,241	56,850
Administrative Department	-	-	-	1,120,746	13,522	4,829,228
Planning	-	-	-	-	236,897	297,191
City Services	137,673,822	6,668,204	383,869	1,118,796	132,166	769,984
<b>Total General Government</b>	<b>163,341,823</b>	<b>36,026,294</b>	<b>5,787,775</b>	<b>2,645,394</b>	<b>404,826</b>	<b>5,953,253</b>
<b>Public Safety:</b>						
Police	-	5,570,721	3,184,968	135,334	363,550	6,156,639
Fire	-	10,416,176	-	2,416,491	55,016	2,628,629
<b>Total Public Safety</b>	<b>-</b>	<b>15,986,897</b>	<b>3,184,968</b>	<b>2,551,825</b>	<b>418,566</b>	<b>8,785,268</b>
<b>Public Works:</b>						
Administration	-	104,455	19,375,782	5,384,697	3,026	767,565
<b>Total Public Works</b>	<b>-</b>	<b>104,455</b>	<b>19,375,782</b>	<b>5,384,697</b>	<b>3,026</b>	<b>767,565</b>
<b>Community Welfare:</b>						
Community Development	-	-	-	-	-	-
Affordable Housing	840,000	-	-	-	-	-
Human services	178,225	1,858,895	640,543	2,307,884	-	765,273
<b>Total Community Welfare</b>	<b>1,018,225</b>	<b>1,858,895</b>	<b>640,543</b>	<b>2,307,884</b>	<b>-</b>	<b>765,273</b>
<b>Culture and Recreation:</b>						
Parks and Grounds Maintenance	5,202,126	3,834	7,160,017	2,873,729	4,778	3,926,966
Arts Commission	-	-	-	-	-	40,178
Museums	-	396,147	-	-	-	-
<b>Total Culture and Recreation</b>	<b>5,202,126</b>	<b>399,981</b>	<b>7,160,017</b>	<b>2,873,729</b>	<b>4,778</b>	<b>3,967,144</b>
<b>Total governmental funds capital assets</b>	<b>\$ 169,562,174</b>	<b>\$ 54,376,522</b>	<b>\$ 36,149,085</b>	<b>\$ 15,763,529</b>	<b>\$ 831,196</b>	<b>\$ 20,238,503</b>

This schedule presents only the capital asset balances related to governmental activities. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are reported in governmental activities in the statement of net assets.

CITY OF SANTA FE, NEW MEXICO  
 Capital Assets Used in the Operation of Governmental Funds  
 Schedule By Function and Activity  
 June 30, 2010

Data Processing Equipment and Software	Construction in Progress	Art	Traffic Signals	Streets	Bridges	Total
\$ 17,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,566,533
9,468	-	-	-	-	-	375,402
8,345,503	341,031	-	-	-	-	14,650,030
263,801	-	-	-	-	-	797,889
1,165,202	1,099,000	-	-	-	-	149,011,043
<u>9,801,501</u>	<u>1,440,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>225,400,897</u>
1,167,029	-	-	-	-	-	16,578,241
585,744	-	-	-	-	-	16,102,056
<u>1,752,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,680,297</u>
45,082	304,277	-	22,964,533	191,454,881	2,109,269	242,513,567
<u>45,082</u>	<u>304,277</u>	<u>-</u>	<u>22,964,533</u>	<u>191,454,881</u>	<u>2,109,269</u>	<u>242,513,567</u>
-	1,900,504	-	-	-	-	1,900,504
-	752,944	-	-	-	-	1,592,944
13,777	-	-	-	-	-	5,764,597
<u>13,777</u>	<u>2,653,448</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,258,045</u>
2,669	12,711,033	-	257,515	-	-	32,142,667
54,660	-	922,920	-	-	-	1,017,758
-	23,393	-	-	-	-	419,540
<u>57,329</u>	<u>12,734,426</u>	<u>922,920</u>	<u>257,515</u>	<u>-</u>	<u>-</u>	<u>33,579,965</u>
<u>\$ 11,670,462</u>	<u>\$ 17,132,182</u>	<u>\$ 922,920</u>	<u>\$ 23,222,048</u>	<u>\$ 191,454,881</u>	<u>\$ 2,109,269</u>	<u>\$ 543,432,771</u>

**CITY OF SANTA FE, NEW MEXICO**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes By Function and Activity**  
**For the Year Ended June 30, 2010**

Function and Activity	Governmental Funds Capital Assets July 1, 2009	Additions	Deletions	Governmental Funds Capital Assets June 30, 2010
<b>General Government:</b>				
City Manager	\$ 59,098,987	\$ 2,366,906	\$ (899,360)	\$ 60,566,533
City Clerk	400,983	6,116	(31,697)	375,402
Administrative Department	14,164,488	609,523	(123,981)	14,650,030
Planning	797,889	-	-	797,889
City Services	147,874,496	1,269,354	(132,807)	149,011,043
Total General Government	<u>222,336,843</u>	<u>4,251,899</u>	<u>(1,187,845)</u>	<u>225,400,897</u>
<b>Public Safety:</b>				
Police	14,818,799	6,575,742	(4,816,300)	16,578,241
Fire	15,227,246	4,512,963	(3,638,153)	16,102,056
Total Public Safety	<u>30,046,045</u>	<u>11,088,705</u>	<u>(8,454,453)</u>	<u>32,680,297</u>
<b>Public Works:</b>				
Administration	240,225,373	24,939,070	(22,650,876)	242,513,567
Total Public Works	<u>240,225,373</u>	<u>24,939,070</u>	<u>(22,650,876)</u>	<u>242,513,567</u>
<b>Community Welfare:</b>				
Community Development	3,074,567	-	(1,174,063)	1,900,504
Affordable Housing	292,339	1,300,605	-	1,592,944
Human Services	4,491,930	1,343,649	(70,982)	5,764,597
Total Community Welfare	<u>7,858,836</u>	<u>2,644,254</u>	<u>(1,245,045)</u>	<u>9,258,045</u>
<b>Culture and Recreation:</b>				
Parks and Grounds Maint.	25,730,262	13,631,751	(7,219,346)	32,142,667
Arts Commission	1,017,758	-	-	1,017,758
Museums	401,051	396,147	(377,658)	419,540
Total Culture and Recreation	<u>27,149,071</u>	<u>14,027,898</u>	<u>(7,597,004)</u>	<u>33,579,965</u>
<b>Total governmental funds capital assets</b>	<b><u>\$ 527,616,168</u></b>	<b><u>\$ 56,951,826</u></b>	<b><u>\$ (41,135,223)</u></b>	<b><u>\$ 543,432,771</u></b>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

## Discrete Component Units

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The Santa Fe Civic Housing Authority consists of proprietary funds that provide public housing services within the City limits. The City is financially accountable for the Housing Authority since it appoints a voting majority of its governing board and can impose its will on the entity. The Santa Fe Civic Housing Authority is comprised of the nine (major and non-major) programs listed below.

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***Santa Fe Civic Housing Authority*** – this proprietary fund accounts for the construction, modernization and operations of housing for low-income families.

***Capital Projects Fund*** – this fund is used to account for the activities of the Comprehensive Grant federal program. This fund was created to assist with compliance with Department of Housing and Development (HUD) requirements.

***Santa Fe Housing Development Corporation*** – this proprietary fund accounts for the 100 units of housing occupied by elderly persons qualifying for assistance under Section 8 of the U.S. Housing Act of 1937.

***La Cieneguita Elderly Housing*** – this proprietary fund accounts for the 32 units of housing occupied by elderly persons qualifying for assistance under section 202 of the U.S. Housing Act of 1937.

***Section 8 Housing Assistance Grants*** – this proprietary fund accounts for funds received from the U.S. Department of Housing and Urban Development for subsidizing low-income housing.

***Mainstream Voucher*** – this fund is used to account for the resources and expenditures that are directly related to HUD's Mainstream Voucher program.

***Cielo Azul*** – is used to account for the activity of an affordable housing project purchased in October 2004. The primary function is to house residents whose income is less than or equal to 80% of the area's median income.

***Region II*** – is used to account for the resources and expenditures that are directly related to HUD's Voucher program for Region II.

***Mora County*** – is used to account for the resources and expenditures that are directly related to HUD's Voucher program for Mora County.

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CITY OF SANTA FE, NEW MEXICO  
Component Unit - Enterprise  
Combining Statement of Net Assets  
For the Year Ended June 30, 2010

	Housing Authority	Capital Projects Fund	SF Civic Housing Development Corporation	La Cieneguita	Section 8 Voucher
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and equivalents	\$ 1,641,404	\$ -	\$ 2,330,663	\$ 215,706	\$ 1,749,018
Cash, investments and equivalents-restricted	510,329	-	-	-	-
Tenant receivable	91,629	-	809	4,002	-
Federal grants receivable	628,798	-	-	-	-
Other receivable	788,993	-	300,000	-	21,507
Due from other funds	305,695	-	-	-	1,504,514
Prepaid expenses	80,706	-	9,134	5,112	-
Inventory	13,456	-	-	-	-
<b>Total current assets</b>	<b>4,061,010</b>	<b>-</b>	<b>2,640,606</b>	<b>224,820</b>	<b>3,275,039</b>
<b>Capital assets</b>					
Land	299,637	-	268,652	244,300	-
Construction in process	3,765,612	-	-	-	-
Buildings & Improvements	24,994,146	-	3,708,510	1,473,757	-
Furniture and fixtures	682,336	-	200,578	-	-
Equipment and machinery	191,553	-	2,907	4,415	-
Vehicles	379,090	-	-	-	-
Accumulated depreciation	(17,091,948)	-	(2,897,467)	(330,014)	-
<b>Total capital assets (net of depreciation)</b>	<b>13,220,426</b>	<b>-</b>	<b>1,283,180</b>	<b>1,392,458</b>	<b>-</b>
Loan issuance cost, net	-	-	82,269	-	-
Due from other funds	-	-	500,000	-	-
<b>Total assets</b>	<b>17,281,436</b>	<b>-</b>	<b>4,506,055</b>	<b>1,617,278</b>	<b>3,275,039</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable	245,856	-	6,500	49	60,000
Compensated absences payable	181,353	-	-	-	-
Tenant security deposits	56,090	-	14,343	5,306	-
Current portion of long term debt	500,000	-	63,032	-	-
Escrows and deposits	136,096	-	-	-	-
Due to other funds	426,942	-	505,280	40,094	466,052
Deferred revenue	-	-	-	-	507,963
Accrued interest	-	-	-	-	-
<b>Total current liabilities</b>	<b>1,546,337</b>	<b>-</b>	<b>589,155</b>	<b>45,449</b>	<b>1,034,015</b>
<b>Noncurrent liabilities</b>					
Notes payable	-	-	3,058,934	-	-
Bonds payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>3,058,934</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,546,337</b>	<b>-</b>	<b>3,648,089</b>	<b>45,449</b>	<b>1,034,015</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	12,720,426	-	(1,838,786)	1,392,458	-
Unrestricted (deficit)	3,014,673	-	2,696,752	179,371	2,241,024
<b>Total net assets</b>	<b>\$ 15,735,099</b>	<b>\$ -</b>	<b>\$ 857,966</b>	<b>\$ 1,571,829</b>	<b>\$ 2,241,024</b>

Cielo Azul	Region II	Total	
			<b>ASSETS</b>
			Current assets
\$ 139,402	\$ 377,817	\$ 6,454,010	Cash and equivalents
-	-	510,329	Cash, investments and equivalents-restricted
-	-	96,440	Tenant receivable
-	-	628,798	Federal grants receivable
25,200	-	1,135,700	Other receivable
4,625	39,815	1,854,649	Due from other funds
4,853	-	99,805	Prepaid expenses
-	-	13,456	Inventory
<u>174,080</u>	<u>417,632</u>	<u>10,793,187</u>	<b>Total current assets</b>
			Capital assets
300,000	30,000	1,142,589	Land
-	-	3,765,612	Construction in process
1,300,000	149,514	31,625,927	Buildings & Improvements
-	-	882,914	Furniture and fixtures
-	-	198,875	Equipment and machinery
-	-	379,090	Vehicles
(259,998)	(18,956)	(20,598,383)	Accumulated depreciation
<u>1,340,002</u>	<u>160,558</u>	<u>17,396,624</u>	<b>Total capital assets (net of depreciation)</b>
-	-	82,269	Loan issuance cost, net
-	-	500,000	Due from other funds
<u>1,514,082</u>	<u>578,190</u>	<u>28,772,080</u>	<b>Total assets</b>
			<b>LIABILITIES</b>
			Current liabilities
-	-	312,405	Accounts payable
-	-	181,353	Compensated absences payable
-	-	75,739	Tenant security deposits
211,596	6,408	781,036	Current portion of long term debt
-	-	136,096	Escrows and deposits
25	416,256	1,854,649	Due to other funds
-	-	507,963	Deferred revenue
-	-	-	Accrued interest
<u>211,621</u>	<u>422,664</u>	<u>3,849,241</u>	<b>Total current liabilities</b>
			Noncurrent liabilities
638,352	90,762	3,788,048	Notes payable
-	-	-	Bonds payable
500,000	-	500,000	Due to other funds
<u>1,138,352</u>	<u>90,762</u>	<u>4,288,048</u>	<b>Total noncurrent liabilities</b>
<u>1,349,973</u>	<u>513,426</u>	<u>8,137,289</u>	<b>Total liabilities</b>
			<b>NET ASSETS</b>
490,054	63,388	12,827,540	Invested in capital assets, net of related debt
(325,945)	1,376	7,807,251	Unrestricted (deficit)
<u>\$ 164,109</u>	<u>\$ 64,764</u>	<u>\$ 20,634,791</u>	<b>Total net assets</b>

CITY OF SANTA FE, NEW MEXICO  
Component Unit - Enterprise  
Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
For the Year Ended June 30, 2010

	Housing Authority	Capital Projects Fund	SF Civic Housing Development Corporation	La Cieneguita	Section 8 Voucher
<b>Operating Revenues</b>					
Facilities rentals	\$ 1,200,507	\$ -	\$ 761,226	\$ 130,020	\$ -
HUD grant and subsidy	1,863,821	3,774,322	-	-	7,148,070
Other revenue	247,119	-	28,406	9,424	13,383
<b>Total operating revenues</b>	<b>3,311,447</b>	<b>3,774,322</b>	<b>789,632</b>	<b>139,444</b>	<b>7,161,453</b>
<b>Operating Expenses</b>					
Salaries, wages and benefits	901,842	-	171,047	69,075	590,411
Community welfare	143,817	-	-	-	5,906,280
Contractual services and utilities	394,915	228,665	65,427	22,771	25,705
Repairs and maintenance	601,075	-	89,798	10,657	-
Depreciation expense	1,148,301	-	277,842	64,076	-
Insurance	121,054	-	24,010	6,607	-
Other	155,302	-	29,206	11,278	172,455
<b>Total operating expenses</b>	<b>3,466,306</b>	<b>228,665</b>	<b>657,330</b>	<b>184,464</b>	<b>6,694,851</b>
Operating income	(154,859)	3,545,657	132,302	(45,020)	466,602
<b>Non-operating revenues (expenses)</b>					
Interest on investments	20,517	-	18,404	1,564	12,349
Interest expense	-	-	(170,771)	-	-
State grants	440,627	-	-	-	-
Loss on disposition of assets	(1,926,499)	-	-	-	-
Operating transfers in	3,545,657	-	-	-	-
Operating transfers out	-	(3,545,657)	-	-	(50,000)
<b>Total non-operating revenues (expenses)</b>	<b>2,080,302</b>	<b>(3,545,657)</b>	<b>(152,367)</b>	<b>1,564</b>	<b>(37,651)</b>
Change in net assets	1,925,443	-	(20,065)	(43,456)	428,951
Net assets (deficit), beginning of year	13,809,656	-	878,031	1,615,285	2,272,294
Equity transfer	-	-	-	-	(460,221)
<b>Net assets (deficit), end of year</b>	<b>\$ 15,735,099</b>	<b>\$ -</b>	<b>\$ 857,966</b>	<b>\$ 1,571,829</b>	<b>\$ 2,241,024</b>

CITY OF SANTA FE, NEW MEXICO  
Component Unit - Enterprise  
Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
For the Year Ended June 30, 2010

Cielo Azul	Region II	Total	
			Operating Revenues
\$ 148,829	\$ 12,219	\$ 2,252,801	Facilities rentals
-	-	12,786,213	HUD grant and subsidy
86,797	-	385,129	Other revenue
<u>235,626</u>	<u>12,219</u>	<u>15,424,143</u>	<b>Total operating revenues</b>
			Operating Expenses
-	-	1,732,375	Salaries, wages and benefits
-	-	6,050,097	Community welfare
24,650	3,030	765,163	Contractual services and utilities
5,306	1,773	708,609	Repairs and maintenance
43,333	7,476	1,541,028	Depreciation expense
42,406	813	194,890	Insurance
6,608	2,616	377,465	Other
<u>122,303</u>	<u>15,708</u>	<u>11,369,627</u>	<b>Total operating expenses</b>
<u>113,323</u>	<u>(3,489)</u>	<u>4,054,516</u>	Operating income
			Non-operating revenues (expenses)
4,733	1,747	59,314	Interest on investments
(17,912)	(5,315)	(193,998)	Interest expense
-	-	440,627	State grants
-	-	(1,926,499)	Loss on disposition of assets
50,000	-	3,595,657	Operating transfers in
-	-	(3,595,657)	Operating transfers out
<u>36,821</u>	<u>(3,568)</u>	<u>(1,620,556)</u>	<b>Total non-operating revenues (expenses)</b>
150,144	(7,057)	2,433,960	Change in net assets
<u>13,965</u>	<u>71,821</u>	<u>18,661,052</u>	Net assets (deficit), beginning of year
-	-	(460,221)	Equity transfer
<u>\$ 164,109</u>	<u>\$ 64,764</u>	<u>\$ 20,634,791</u>	<b>Net assets (deficit), end of year</b>

CITY OF SANTA FE, NEW MEXICO  
Component Unit - Enterprise  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2010

	Housing Authority	Capital Projects Fund	SF Civic Housing Development Corporation	La Cieneguita	Section 8 Voucher
<b>Cash Flows from Operating Activities</b>					
Cash received from customers and grantors	\$ 2,708,280	\$ 3,774,322	\$ 360,302	\$ 135,068	\$ 7,139,946
Cash payments to suppliers for goods and services	(1,104,829)	(228,665)	(200,199)	(31,458)	(6,348,790)
Cash payments to employees for services	(899,245)	-	(226,672)	(69,075)	(590,411)
<b>Net cash provided (used) by operating activities</b>	<b>704,206</b>	<b>3,545,657</b>	<b>(66,569)</b>	<b>34,535</b>	<b>200,745</b>
<b>Cash Flows from Capital Financing Activities</b>					
Acquisition and construction of capital assets	(4,266,820)	-	-	-	-
<b>Net cash used by capital financing activities</b>	<b>(4,266,820)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Noncapital Financing Activities</b>					
Cash transfers (to) from other funds	3,646,321	(3,545,657)	-	-	(50,000)
Proceeds from long term debt	500,000	-	2,691,855	-	-
Principal paid on debt maturities	-	-	(2,203,034)	-	-
Interest paid on debt	-	-	(170,771)	-	-
<b>Net cash used by noncapital financing activities</b>	<b>4,146,321</b>	<b>(3,545,657)</b>	<b>318,050</b>	<b>-</b>	<b>(50,000)</b>
<b>Cash Flows from Investing Activities</b>					
Loans made to other entities	440,627	-	-	-	324,671
Interest and dividends on investments	20,517	-	18,404	1,564	12,349
<b>Net cash provided by investing activities</b>	<b>461,144</b>	<b>-</b>	<b>18,404</b>	<b>1,564</b>	<b>337,020</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,044,851</b>	<b>-</b>	<b>269,885</b>	<b>36,099</b>	<b>487,765</b>
Cash and cash equivalents at beginning of year	1,106,882	-	2,060,778	179,607	1,261,253
<b>Cash and cash equivalents at end of year</b>	<b>\$ 2,151,733</b>	<b>\$ -</b>	<b>\$ 2,330,663</b>	<b>\$ 215,706</b>	<b>\$ 1,749,018</b>
<b>Reconciliation of operating income to net cash provided by operating activities</b>					
Operating income	\$ (154,859)	\$ 3,541,655	\$ 132,302	\$ (45,020)	\$ 466,602
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>					
Depreciation/amortization	1,148,301	-	277,842	64,076	-
Change in assets and liabilities					
Accounts receivable	(646,334)	-	(298,554)	(4,002)	(21,507)
Prepaid expenses	(362)	-	3,283	(1,311)	-
Due from other funds	155,914	-	-	-	(276,751)
Accounts payable	155,782	-	4,959	49	60,000
Accrued interest	-	4,002	(55,625)	-	-
Escrow and deposits	39,996	-	-	-	-
Compensated absences payable	2,597	-	-	-	-
Deposits	(20,184)	-	(1,297)	-	-
Due to other funds	23,355	-	(129,479)	21,117	(27,599)
Deferred revenues	-	-	-	(374)	-
<b>Total adjustments</b>	<b>859,065</b>	<b>4,002</b>	<b>(198,871)</b>	<b>79,555</b>	<b>(265,857)</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 704,206</b>	<b>\$ 3,545,657</b>	<b>\$ (66,569)</b>	<b>\$ 34,535</b>	<b>\$ 200,745</b>

CITY OF SANTA FE, NEW MEXICO  
Component Unit - Enterprise  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2010

Cielo Azul	Region II	Total	
			Cash Flows from Operating Activities
\$ 233,792	\$ 12,219	\$ 14,363,929	Cash received from customers and grantors
(79,645)	(8,047)	(8,001,633)	Cash payments to suppliers for goods and services
-	-	(1,785,403)	Cash payments to employees for services
<u>154,147</u>	<u>4,172</u>	<u>4,576,893</u>	<b>Net cash provided (used) by operating activities</b>
			Cash Flows from Capital Financing Activities
-		(4,266,820)	Acquisition and construction of capital assets
<u>-</u>	<u>-</u>	<u>(4,266,820)</u>	<b>Net cash used by capital financing activities</b>
			Cash Flows from Noncapital Financing Activities
50,000	-	100,664	Cash transfers (to) from other funds
-	-	3,191,855	Proceeds from long term debt
(557,050)	(5,771)	(2,765,855)	Principal paid on debt maturities
156,888	(5,315)	(19,198)	Interest paid on debt
<u>(350,162)</u>	<u>(11,086)</u>	<u>507,466</u>	<b>Net cash used by noncapital financing activities</b>
			Cash Flows from Investing Activities
-	-	765,298	Capital contributions
4,733	1,747	59,314	Interest and dividends on investments
<u>4,733</u>	<u>1,747</u>	<u>824,612</u>	<b>Net cash provided by Investing activities</b>
(191,282)	(5,167)	1,642,151	<b>Net increase (decrease) in cash and cash equivalents</b>
<u>330,684</u>	<u>382,984</u>	<u>5,322,188</u>	Cash and cash equivalents at beginning of year
<u>\$ 139,402</u>	<u>\$ 377,817</u>	<u>\$ 6,964,339</u>	<b>Cash and cash equivalents at end of year</b>
			Reconciliation of operating income to net cash provided by operating activities
\$ 113,323	\$ (3,489)	\$ 4,050,514	Operating income
			Adjustments to reconcile operating income to net cash provided by operating activities
43,333	7,476	1,541,028	Depreciation/amortization
(1,834)	-	(972,231)	Change in assets and liabilities
(573)	-	1,037	Accounts receivable
(127)	185	(120,779)	Prepaid expenses
-	-	220,790	Due from other funds
-	-	(51,623)	Accounts payable
-	-	39,996	Accrued interest
-	-	2,597	Escrow and deposits
-	-	(21,481)	Compensated absences payable
25	-	(112,581)	Deposits
-	-	(374)	Due to other funds
<u>40,824</u>	<u>7,661</u>	<u>526,379</u>	Deferred revenues
<u>\$ 154,147</u>	<u>\$ 4,172</u>	<u>\$ 4,576,893</u>	<b>Total adjustments</b>
			<b>Net cash provided (used) by operating activities</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Component Unit - Enterprise**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Housing Authority**  
**For the Year Ended June 30, 2010**

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Operating Revenues</b>				
Facilities rentals	\$ 1,320,000	\$ 1,320,000	\$ 1,200,507	\$ (119,493)
HUD grants and subsidy	1,648,570	1,648,570	1,863,821	215,251
Other operating revenues	612,000	612,000	247,119	(364,881)
<b>Total operating revenues</b>	<b>3,580,570</b>	<b>3,580,570</b>	<b>3,311,447</b>	<b>(269,123)</b>
<b>Operating Expenses</b>				
Operating	545,875	545,875	368,602	177,273
Community welfare	283,000	283,000	229,900	53,100
Utilities	382,320	382,320	373,602	8,718
Repairs and maintenance	975,030	975,030	923,769	51,261
General	389,340	389,340	422,132	(32,792)
Nonroutine Expenditures	-	-	-	-
Depreciation	78,050	878,050	1,148,301	(270,251)
<b>Total operating expenses</b>	<b>2,653,615</b>	<b>3,453,615</b>	<b>3,466,306</b>	<b>(12,691)</b>
Operating income (loss)	926,955	126,955	(154,859)	(281,814)
<b>Non-operating Revenue</b>				
Operating transfers in	-	-	3,545,657	3,545,657
State Grants	-	-	440,627	440,627
Loss on disposition of assets	-	-	(1,926,499)	(1,926,499)
Interest on investments	9,000	9,000	20,517	11,517
Insurance reimbursement	-	-	-	-
<b>Total non-operating revenues</b>	<b>9,000</b>	<b>9,000</b>	<b>2,080,302</b>	<b>2,071,302</b>
<b>Change in net assets</b>	<b>935,955</b>	<b>135,955</b>	<b>1,925,443</b>	<b>1,789,488</b>
Net assets, beginning of year	14,738,342	14,738,342	13,809,656	(928,686)
<b>Net assets, end of year</b>	<b>\$ 15,674,297</b>	<b>\$ 14,874,297</b>	<b>\$ 15,735,099</b>	<b>\$ 860,802</b>

*The notes to the Financial Statements are an integral part of this statement.*

**CITY OF SANTA FE, NEW MEXICO**  
**Component Unit - Enterprise**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Capital Projects Fund**  
**For the Year Ended June 30, 2010**

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Operating Revenues</b>				
Intergovernmental	\$ 5,151,790	\$ 5,151,790	\$ 3,774,322	\$ (1,377,468)
Interest income	-	-	-	-
<b>Total operating revenues</b>	<b>5,151,790</b>	<b>5,151,790</b>	<b>3,774,322</b>	<b>(1,377,468)</b>
<b>Operating Expenses</b>				
Repairs and maintenance	323,500	323,500	228,665	94,835
<b>Total operating expenses</b>	<b>323,500</b>	<b>323,500</b>	<b>228,665</b>	<b>94,835</b>
Operating income (loss)	4,828,290	4,828,290	3,545,657	(1,282,633)
<b>Non-operating Revenue</b>				
Operating transfers in	-	-	-	-
Operating transfers out	(4,828,290)	(4,828,290)	(3,545,657)	1,282,633
<b>Total non-operating revenues</b>	<b>(4,828,290)</b>	<b>(4,828,290)</b>	<b>(3,545,657)</b>	<b>1,282,633</b>
<b>Change in net assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net assets, beginning of year	-	-	-	-
<b>Net assets, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*The notes to the Financial Statements are an integral part of this statement.*

**CITY OF SANTA FE, NEW MEXICO**  
**Component Unit - Enterprise**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Santa Fe Housing Development Corporation**  
**For the Year Ended June 30, 2010**

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 750,000	\$ 750,000	\$ 761,226	\$ 11,226
Other operating revenues	15,800	15,800	28,406	12,606
<b>Total operating revenues</b>	<b>765,800</b>	<b>765,800</b>	<b>789,632</b>	<b>23,832</b>
Operating Expenses				
Operating	218,600	218,600	111,720	106,880
Contractual services and utilities	89,000	89,000	65,426	23,574
Repairs and maintenance	173,000	173,000	127,033	45,967
General	81,000	81,000	75,511	5,489
Insurance	-	-	-	-
Depreciation	300,000	300,000	277,640	22,360
<b>Total operating expenses</b>	<b>861,600</b>	<b>861,600</b>	<b>657,330</b>	<b>204,270</b>
Operating income (loss)	(95,800)	(95,800)	132,302	228,102
Non-operating Revenue				
Interest on investments	20,000	20,000	18,404	(1,596)
Interest expense	(110,000)	(110,000)	(170,771)	(60,771)
<b>Total non-operating revenues</b>	<b>(90,000)</b>	<b>(90,000)</b>	<b>(152,367)</b>	<b>(62,367)</b>
<b>Change in net assets</b>	<b>(185,800)</b>	<b>(185,800)</b>	<b>(20,065)</b>	<b>165,735</b>
Net assets, beginning of year	878,031	878,031	878,031	-
<b>Net assets, end of year</b>	<b>\$ 692,231</b>	<b>\$ 692,231</b>	<b>\$ 857,966</b>	<b>\$ 165,735</b>

*The notes to the Financial Statements are an integral part of this statement.*

**CITY OF SANTA FE, NEW MEXICO**  
**Component Unit - Enterprise**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**La Cieneguita**  
**For the Year Ended June 30, 2010**

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 125,000	\$ 125,000	\$ 130,020	\$ 5,020
Other operating revenues	100	100	9,424	9,324
<b>Total operating revenues</b>	<b>125,100</b>	<b>125,100</b>	<b>139,444</b>	<b>14,344</b>
Operating Expenses				
Operating	39,000	39,000	39,865	(865)
Community welfare	1,200	1,200	1,000	200
Contractual services and utilities	19,600	19,600	15,666	3,934
Repairs and maintenance	50,700	50,700	36,562	14,138
Depreciation	70,000	70,000	64,076	5,924
General	27,000	27,000	27,295	(295)
<b>Total operating expenses</b>	<b>207,500</b>	<b>207,500</b>	<b>184,464</b>	<b>23,036</b>
Operating income (loss)	(82,400)	(82,400)	(45,020)	37,380
Non-operating Revenue				
Interest on investments	4,000	4,000	1,564	(2,436)
<b>Change in net assets</b>	<b>(78,400)</b>	<b>(78,400)</b>	<b>(43,456)</b>	<b>34,944</b>
Net assets, beginning of year	1,615,285	1,615,285	1,615,285	-
<b>Net assets, end of year</b>	<b>\$ 1,536,885</b>	<b>\$ 1,536,885</b>	<b>\$ 1,571,829</b>	<b>\$ 34,944</b>

*The notes to the Financial Statements are an integral part of this statement.*

**CITY OF SANTA FE, NEW MEXICO**  
**Component Unit - Enterprise**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Section 8 Voucher**  
**For the Year Ended June 30, 2010**

	Budget Amounts		Actual Amount	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>Operating Revenues</b>				
Intergovernmental	\$ 6,660,000	\$ 6,660,000	\$ 6,814,620	\$ 154,620
Interest income	20,000	20,000	8,704	(11,296)
Other Revenue	2,000	2,000	13,383	11,383
<b>Total operating revenues</b>	<b>6,682,000</b>	<b>6,682,000</b>	<b>6,836,707</b>	<b>154,707</b>
<b>Operating Expenses</b>				
Operating	-	-	-	-
Contractual Services	-	-	-	-
Community welfare	6,571,000	6,571,000	6,417,392	153,608
General	-	-	-	-
Insurance	-	-	-	-
<b>Total operating expenses</b>	<b>6,571,000</b>	<b>6,571,000</b>	<b>6,417,392</b>	<b>153,608</b>
<b>Operating income (loss)</b>	<b>111,000</b>	<b>111,000</b>	<b>419,315</b>	<b>308,315</b>
<b>Non-operating Revenue</b>				
Transfers out	(50,000)	(50,000)	(50,000)	-
Port-in HAP reimbursement	300,000	300,000	304,669	4,669
Prt-admin fees	30,000	30,000	28,782	(1,218)
Port HAP	(300,000)	(300,000)	(310,976)	(10,976)
<b>Change in net assets</b>	<b>91,000</b>	<b>91,000</b>	<b>391,790</b>	<b>300,790</b>
Net assets, beginning of year	1,808,438	1,808,438	1,808,438	-
Unbudgeted equity transfer	-	-	(460,221)	(460,221)
<b>Net assets, end of year</b>	<b>\$ 1,899,438</b>	<b>\$ 1,899,438</b>	<b>\$ 1,740,007</b>	<b>\$ (159,431)</b>

*The notes to the Financial Statements are an integral part of this statement.*

**CITY OF SANTA FE, NEW MEXICO**  
**Component Unit - Enterprise**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Cielo Azul**  
**For the Year Ended June 30, 2010**

	Budget Amounts		Actual Amount	Variance with
	Original	Final		Final Budget - Positive (Negative)
Operating Revenues				
Facilities rentals	\$ 140,000	\$ 140,000	\$ 148,829	\$ 8,829
Other operating revenues	-	-	86,797	86,797
<b>Total operating revenues</b>	140,000	140,000	235,626	95,626
Operating Expenses				
Operating	4,000	4,000	6,608	(2,608)
Contractual services and utilities	15,500	15,500	24,650	(9,150)
Repairs and maintenance	22,000	22,000	5,306	16,694
General	11,000	11,000	-	11,000
Insurance	-	-	42,406	(42,406)
Depreciation	50,000	50,000	43,333	6,667
<b>Total operating expenses</b>	102,500	102,500	122,303	(19,803)
Operating income (loss)	37,500	37,500	113,323	75,823
Non-operating Revenue				
Transfers in	50,000	50,000	50,000	-
Interest on investments	-	-	4,733	4,733
Interest expense	(35,000)	(35,000)	(17,912)	17,088
<b>Total non-operating revenues</b>	15,000	15,000	36,821	21,821
<b>Change in net assets</b>	52,500	52,500	150,144	97,644
Net assets, beginning of year	13,965	13,965	13,965	-
<b>Net assets, end of year</b>	<b>\$ 66,465</b>	<b>\$ 66,465</b>	<b>\$ 164,109</b>	<b>\$ 97,644</b>

*The notes to the Financial Statements are an integral part of this statement.*

**CITY OF SANTA FE, NEW MEXICO**  
**Component Unit - Enterprise**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Region II Voucher**  
**For the Year Ended June 30, 2010**

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Rental Income	\$ 180	\$ 180	\$ 12,219	\$ 12,039
Interest income	-	-	-	-
<b>Total operating revenues</b>	<b>180</b>	<b>180</b>	<b>12,219</b>	<b>12,039</b>
Operating Expenses				
Current				
Operating	4,000	4,000	2,616	1,384
Community welfare	-	-	-	-
Contractual services and utilities	4,000	4,000	3,030	970
Other	-	-	-	-
Repairs and maintenance	3,000	3,000	1,773	1,227
Insurance	1,500	1,500	813	687
Depreciation	15,000	15,000	7,476	7,524
<b>Total operating expenses</b>	<b>27,500</b>	<b>27,500</b>	<b>15,708</b>	<b>11,792</b>
Operating income (loss)	(27,320)	(27,320)	(3,489)	23,831
Non-operating Revenue				
Interest on investments	500	500	1,747	1,247
Interest expense	(6,000)	(6,000)	(5,315)	685
<b>Total non-operating revenues</b>	<b>(5,500)</b>	<b>(5,500)</b>	<b>(3,568)</b>	<b>1,932</b>
<b>Change in net assets</b>	<b>(32,820)</b>	<b>(32,820)</b>	<b>(7,057)</b>	<b>25,763</b>
Net assets, beginning of year	71,821	71,821	71,821	-
<b>Net assets, end of year</b>	<b>\$ 39,001</b>	<b>\$ 39,001</b>	<b>\$ 64,764</b>	<b>\$ 25,763</b>

*The notes to the Financial Statements are an integral part of this statement.*

## **Statistical Section**

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**CITY OF SANTA FE, NEW MEXICO  
STATISTICAL SECTION  
For the Fiscal Year Ended June 30, 2010**

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This part of the City of Santa Fe statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	<b>185-190</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the city's ability to generate its gross receipts tax.	<b>191-197</b>
<b>Debt Capacity</b> These schedules present information to help the reader the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	<b>198-203</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	<b>204-209</b>
<b>Operating information</b> These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the the city provides and the activities it performs.	<b>210-212</b>

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF SANTA FE, NEW MEXICO  
NET ASSETS BY COMPONENT  
LAST NINE FISCAL YEARS  
(UNAUDITED)

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Governmental Activities</b>					
Invested in capital assets, net of related debt	\$ (30,832,057)	\$ 1,349,357	\$ 157,113,667	\$ 143,746,053	\$ 166,025,629
Restricted	4,970,892	6,103,794	4,128,579	3,285,631	3,168,740
Unrestricted	83,284,368	86,932,817	99,594,397	98,610,581	90,576,169
<b>Total governmental activities net assets</b>	<b>\$ 57,403,203</b>	<b>\$ 94,385,968</b>	<b>\$ 260,836,643</b>	<b>\$ 245,642,265</b>	<b>\$ 259,770,538</b>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 54,323,125	\$ 66,834,205	\$ 75,547,411	\$ 100,137,996	\$ 100,419,310
Restricted	8,018,524	10,763,947	9,189,925	9,232,551	1,165,686
Unrestricted	20,664,954	20,751,616	37,983,865	48,735,531	86,526,932
<b>Total business -type activities</b>	<b>\$ 83,006,603</b>	<b>\$ 98,349,768</b>	<b>\$ 122,721,201</b>	<b>\$ 158,106,078</b>	<b>\$ 188,111,928</b>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 23,491,068	\$ 68,183,562	\$ 232,661,078	\$ 243,884,049	\$ 266,444,939
Restricted	12,989,416	16,867,741	13,318,504	12,518,182	4,334,426
Unrestricted	103,929,322	107,684,433	137,578,262	147,346,112	177,103,101
<b>Total primary government net assets</b>	<b>\$ 140,409,806</b>	<b>\$ 192,735,736</b>	<b>\$ 383,557,844</b>	<b>\$ 403,748,343</b>	<b>\$ 447,882,466</b>
<b>Governmental Activities</b>					
Invested in capital assets, net of related debt	\$ 142,109,428	\$ 182,790,257	\$ 178,547,796	\$ 188,345,882	
Restricted	2,504,394	10,174,773	10,290,331	10,693,806	
Unrestricted	63,338,892	98,944,233	93,668,312	69,331,327	
<b>Total governmental activities net assets</b>	<b>\$ 207,952,714</b>	<b>\$ 291,909,263</b>	<b>\$ 282,506,439</b>	<b>\$ 288,371,015</b>	
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 152,636,141	\$ 159,508,099	\$ 160,986,556	\$ 174,237,581	
Restricted	2,668,245	724,528	1,232,286	6,961,305	
Unrestricted	127,184,590	89,549,081	110,164,825	135,921,927	
<b>Total business -type activities</b>	<b>\$ 282,488,976</b>	<b>\$ 249,781,708</b>	<b>\$ 272,383,667</b>	<b>\$ 317,120,813</b>	
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 294,745,569	\$ 342,298,356	\$ 339,534,352	\$ 362,583,463	
Restricted	5,172,639	10,899,301	11,522,617	17,655,111	
Unrestricted	190,523,482	188,493,314	203,833,137	205,253,254	
<b>Total primary government net assets</b>	<b>\$ 490,441,690</b>	<b>\$ 541,690,971</b>	<b>\$ 554,890,106</b>	<b>\$ 585,491,828</b>	

Note: GASB 34 Implemented 2002

CITY OF SANTA FE, NEW MEXICO  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(UNAUDITED)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>									
<b>Governmental Activities:</b>									
General Government	\$ 21,195,929	\$ 21,451,013	\$ 22,393,020	\$ 31,765,902	\$ 21,318,849	\$ 23,484,442	\$ 27,873,924	\$ 29,566,386	\$ 27,660,875
Public Safety	24,083,675	26,538,341	28,500,025	31,103,547	31,355,147	33,841,007	34,894,206	38,118,398	38,313,141
Public Works	8,479,296	13,024,063	14,621,049	11,639,112	12,020,924	13,570,355	13,577,325	15,718,517	15,869,603
Community Development	9,520,528	9,761,578	10,180,137	10,946,430	11,770,657	11,289,698	11,397,085	12,974,275	15,145,394
Culture and Recreation	8,857,134	9,017,844	9,708,241	10,900,710	11,770,657	13,029,432	13,430,563	13,417,927	13,580,296
Education	2,231,343	2,280,164	2,456,459	2,528,186	2,573,152	2,737,868	2,864,722	2,899,570	2,988,945
Interest on Long Term Debt	5,166,341	5,375,063	5,093,359	5,630,475	5,404,184	5,983,608	4,563,643	5,456,528	5,485,953
<b>Total Governmental activities expenses</b>	<b>79,534,246</b>	<b>87,448,066</b>	<b>92,952,290</b>	<b>104,514,362</b>	<b>95,165,288</b>	<b>107,536,410</b>	<b>108,601,468</b>	<b>118,151,601</b>	<b>119,044,207</b>
<b>Business-type activities:</b>									
Wastewater Management	6,749,379	10,141,412	9,352,601	9,523,908	9,648,572	9,879,594	11,352,274	12,475,625	12,312,850
Water Management	19,371,310	19,240,504	20,258,711	20,647,005	20,115,817	23,608,849	19,074,551	22,882,185	22,369,231
Municipal Recreation Complex	3,050,869	3,205,273	3,302,425	3,263,270	3,634,257	3,021,228	2,975,871	2,408,341	1,803,235
Rallyard Center	-	-	-	173,224	205,168	608,703	344,959	1,373,796	1,741,983
Genoveva Chavez Community Cntr	3,486,675	3,541,519	3,910,851	3,988,449	4,118,677	4,895,292	4,999,087	5,570,172	4,886,084
Santa Fe Convention Center	-	734,108	769,541	854,946	1,060,315	218,000	2,083,034	4,763,646	5,280,908
Solid Waste Management	-	7,921,077	8,296,083	8,373,182	8,745,255	8,888,090	9,884,422	9,576,135	9,942,609
College of Santa Fe	-	-	-	-	-	-	-	-	2,436,088
Transit and Airport Systems	-	6,093,452	6,702,672	6,911,775	7,394,114	8,309,125	10,312,198	11,275,507	12,366,693
Parking Enterprise Fund	-	3,188,057	3,456,637	3,977,672	4,006,651	4,194,759	4,716,561	5,128,803	5,271,354
All other proprietary funds	19,117,587	-	-	-	-	-	-	-	-
<b>Total business-type expenses</b>	<b>51,775,820</b>	<b>54,065,402</b>	<b>56,049,521</b>	<b>57,713,431</b>	<b>58,928,826</b>	<b>63,623,640</b>	<b>65,742,957</b>	<b>75,454,210</b>	<b>78,411,035</b>
<b>Total primary government expenses</b>	<b>\$ 131,310,066</b>	<b>\$ 141,513,468</b>	<b>\$ 149,001,811</b>	<b>\$ 162,227,793</b>	<b>\$ 154,094,114</b>	<b>\$ 171,160,050</b>	<b>\$ 174,344,425</b>	<b>\$ 193,605,811</b>	<b>\$ 197,455,242</b>
<b>Program Revenues</b>									
<b>Governmental activities:</b>									
Charges for services:									
General Government	\$ 4,341,543	\$ 4,736,202	\$ 5,390,550	\$ 5,928,430	\$ 6,484,371	\$ 2,729,053	\$ 1,908,694	\$ 2,093,097	\$ 478,959
Public Safety	467,493	494,337	534,425	671,958	437,873	3,746,109	3,551,192	3,451,045	4,192,344
Public Works	1,540,498	153,334	1,158,799	3,052,065	3,101,740	3,420,434	2,246,481	2,094,381	2,379,542
Community Development	128,978	127,639	146,216	144,195	130,376	321,145	491,313	350,718	373,009
Culture and Recreation	73,174	62,230	18,900	106,684	114,848	518,602	536,901	578,429	685,743
Operating grants and contributions:									
General Government	376,460	243,831	119,129	26,578	224,321	400,848	417,614	292,957	660,242
Public Safety	877,486	911,513	1,140,086	1,201,267	899,851	577,716	1,032,705	832,402	1,268,866
Public Works	902,130	359,329	404,971	536,523	740,683	449,214	210,213	214,293	286,133
Community Development	2,132,899	3,316,551	3,324,270	3,474,113	2,806,880	3,260,771	3,250,551	3,718,589	5,989,952
Culture and Recreation	312,028	133,474	342,327	801,047	439,671	297,649	301,646	340,742	182,907
Education	44,724	-	-	226,070	-	-	-	-	-
Capital grants and contributions:									
General Government	-	160,287	122,541	10,168,219	184,045	401,529	2,711,654	1,706,164	406,830
Public Safety	32,275	-	-	-	283,119	418,952	-	529,270	340,853
Public Works	1,185,871	5,310,660	1,985,617	1,326,180	1,086,433	946,360	2,727,905	6,022,474	3,732,453
Community Development	353,335	334,517	18,911	120,244	1,436,378	171,251	372,517	673,023	386,267
Culture and Recreation	27,130	347,788	718,156	324,260	1,901,844	1,215,780	1,042,680	2,536,154	2,193,295
<b>Total governmental activities program revenues</b>	<b>12,796,024</b>	<b>16,691,692</b>	<b>15,424,898</b>	<b>28,107,833</b>	<b>20,272,433</b>	<b>18,875,413</b>	<b>20,802,066</b>	<b>25,433,738</b>	<b>23,557,395</b>

(Continued)

(Continued)

CITY OF SANTA FE, NEW MEXICO  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(UNAUDITED)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Business-type activities:</b>									
Charges for services:									
Wastewater Management	\$ 6,953,092	\$ 6,976,843	\$ 8,088,178	\$ 8,388,757	\$ 8,596,112	\$ 8,718,755	\$ 9,326,934	\$ 9,286,246	\$ 10,299,371
Water Management	26,886,400	27,100,848	29,506,311	26,305,704	36,401,216	29,158,277	30,148,350	27,086,239	30,236,761
Municipal Recreation Complex	1,451,570	1,231,628	1,195,813	1,073,646	1,164,630	1,035,847	1,055,670	1,076,776	1,100,296
Railyard Center	-	-	-	737,700	-	273,221	634,870	565,324	561,147
Genoveva Chavez Community Center	1,433,828	1,453,790	1,212,399	1,559,775	1,372,712	1,804,043	1,480,294	1,512,964	1,637,933
Santa Fe Convention Center	-	137,051	-	179,925	3,750	-	-	300,448	408,746
Solid Waste Management	-	7,477,676	8,682,479	8,877,203	8,906,200	9,249,160	9,419,575	9,195,553	9,178,089
College of Santa Fe	-	-	-	-	-	-	-	-	2,092,884
Transit and Airport Systems	-	710,410	643,268	829,695	673,316	890,065	767,256	888,259	1,918,748
Parking Enterprise Fund	-	3,091,690	3,626,228	3,559,993	3,661,069	3,726,114	3,693,146	3,715,155	4,498,969
All other proprietary funds	13,119,957	-	-	-	-	-	-	-	-
Operating grants and contributions:									
Municipal Recreation Complex	4,545	2,700	-	-	-	-	-	-	-
Transit and Airport Systems	-	435,724	215,000	805,979	905,751	935,944	1,260,704	1,120,734	1,021,037
All other proprietary funds	523,786	-	-	-	-	-	-	-	-
Capital grants and contributions:									
Wastewater Management	-	-	-	-	18,124	82,458	45,447	55,899	180,749
Water Management	695,657	1,586,829	10,458,328	1,339,601	6,759,310	3,203,186	1,567,685	1,372,315	8,812,197
Municipal Recreation Complex	-	-	-	-	8,622	1,315	73,433	96,986	464,581
Railyard Center	-	-	-	412,659	166,007	2,495,258	7,187,248	536,692	50,154
Genoveva Chavez Community Center	-	-	-	24,428	32,952	36,834	144,607	293,548	17,029
Transit and Airport Systems	-	2,274,673	1,816,745	943,507	1,416,163	5,230,489	5,438,603	4,012,989	6,620,886
Santa Fe Convention Center	-	-	-	-	-	-	-	-	55,532
All other proprietary funds	216,416	-	-	-	-	-	24,515	69,953	-
Total business-type activities program revenues	\$ 51,285,251	\$ 52,479,862	\$ 65,444,749	\$ 55,038,572	\$ 70,085,934	\$ 66,840,966	\$ 72,268,337	\$ 61,186,080	\$ 79,155,109
Total primary government program revenues	\$ 64,081,275	\$ 69,171,554	\$ 80,869,647	\$ 83,146,405	\$ 90,358,367	\$ 85,716,379	\$ 93,070,403	\$ 86,619,818	\$ 102,712,504
<b>Net (Expenses)/Revenue</b>									
Governmental activities	\$ (16,477,926)	\$ (16,310,693)	\$ (16,760,800)	\$ (15,642,675)	\$ (14,426,112)	\$ (19,953,012)	\$ (22,835,962)	\$ (25,474,168)	\$ (26,114,844)
General Government	(22,706,421)	(25,132,491)	(26,825,514)	(29,230,322)	(29,734,304)	(29,098,230)	(30,310,309)	(33,305,681)	(32,511,078)
Public Safety	(4,850,797)	(7,200,740)	(11,071,662)	(6,724,344)	(7,092,068)	(8,754,347)	(8,392,726)	(7,387,369)	(9,471,475)
Public Works	(6,905,316)	(5,982,871)	(6,690,740)	(7,207,878)	(6,348,741)	(7,536,531)	(7,282,704)	(8,231,945)	(8,396,166)
Community development	(8,444,802)	(8,474,352)	(8,458,758)	(9,668,719)	(9,314,294)	(10,997,401)	(11,549,336)	(9,962,602)	(10,518,351)
Culture and recreation	(2,186,619)	(2,280,164)	(2,456,459)	(2,302,116)	(2,573,152)	(2,737,868)	(2,864,722)	(2,899,570)	(2,988,945)
Education	(5,166,341)	(5,375,063)	(5,093,359)	(5,630,475)	(5,404,184)	(9,583,608)	(4,563,643)	(5,456,528)	(5,485,953)
Interest on Long term debt	-	-	-	-	-	-	-	-	-
Business-type activities	203,713	(3,164,569)	(1,264,423)	(1,135,151)	(1,034,336)	(1,078,381)	(1,979,893)	(3,133,480)	(1,832,730)
Wastewater Management	8,210,747	9,447,173	19,705,928	6,998,300	23,044,709	8,752,614	12,641,484	5,576,369	16,679,727
Water Management	-	-	-	-	-	-	-	-	(343,204)
College of Santa Fe	(1,594,754)	(1,970,945)	(2,106,612)	(2,189,624)	(2,461,005)	(1,984,066)	(1,846,768)	(1,234,579)	(238,358)
Municipal Recreation Complex	-	-	-	977,135	(39,161)	2,159,776	7,477,159	(271,780)	(1,130,682)
Railyard Center	(2,052,847)	(2,087,729)	(2,698,452)	(2,404,246)	(2,713,013)	(3,054,415)	(3,374,186)	(3,763,660)	(3,231,122)
Genoveva Chavez Community Center	-	(597,057)	(769,541)	(675,021)	(1,056,565)	(218,000)	(2,083,034)	(4,393,730)	(4,816,630)
Santa Fe Convention Center	-	(443,401)	386,396	504,021	160,945	361,070	(464,847)	(380,582)	(764,520)
Solid Waste Management	-	(2,672,645)	(4,027,659)	(4,332,594)	(4,398,884)	(1,252,627)	(2,845,635)	(5,253,525)	(2,806,022)
Transit and Airport Systems	-	(96,367)	169,591	(417,679)	(345,582)	(468,645)	(1,023,415)	(1,413,163)	(772,385)
Parking Enterprise Fund	(5,257,428)	-	-	-	-	-	24,515	-	-
All other proprietary funds	\$ (67,228,791)	\$ (72,341,914)	\$ (67,962,064)	\$ (79,081,388)	\$ (63,735,747)	\$ (85,443,671)	\$ (81,274,022)	\$ (106,985,993)	\$ (94,742,738)
Total primary government expense									

CITY OF SANTA FE, NEW MEXICO  
CHANGES IN NET ASSETS  
LAST NINE FISCAL YEARS  
(UNAUDITED)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Revenues and Other Changes in Net Assets</b>									
<b>Governmental activities</b>									
Taxes									
Property taxes	\$ 1,388,393	\$ 1,462,020	\$ 1,545,895	\$ 1,646,328	\$ 1,759,219	\$ 3,584,591	\$ 3,964,867	\$ 3,773,701	\$ 6,658,311
Sales taxes	75,360,232	79,760,433	82,323,111	85,755,995	92,621,304	88,146,556	91,972,070	82,800,905	76,345,768
Lodgers taxes	-	-	-	-	-	8,677,392	8,797,321	7,872,311	7,238,114
Franchise taxes	2,075,035	2,086,183	2,269,999	2,308,962	2,418,323	2,391,985	2,549,067	2,646,539	2,589,218
Motor fuel taxes	1,332,483	299,457	1,307,593	1,432,826	1,592,130	1,130,555	1,654,875	1,696,868	1,739,763
Cigarette taxes	148,163	153,932	141,980	145,074	126,683	107,712	113,820	65,597	96,502
Unrestricted investment earnings	4,618,919	3,592,394	840,040	2,049,567	3,570,611	7,187,724	4,383,448	3,264,549	664,354
Miscellaneous revenues	1,444,175	1,209,258	1,463,231	1,984,446	991,112	1,947,896	1,401,382	1,684,015	1,538,546
Gain on sale of capital assets	553,731	3,976	1,039,062	-	117,180	-	142,601	-	215,508
Transfers	(5,822,656)	(8,496,185)	(12,103,500)	(13,262,714)	(14,175,434)	(76,331,238)	(29,791,045)	(20,489,446)	(15,734,696)
Special item-transfer of capital asset	-	-	-	(20,145,837)	-	-	-	-	-
Total governmental activities	81,098,475	80,071,468	78,827,411	61,914,647	89,021,128	36,843,173	85,188,406	83,315,039	81,351,388
<b>Business-type activities</b>									
Property taxes	1,932,195	1,499,788	1,347,344	1,822,075	2,608,907	7,123,902	8,800,497	11,055,714	10,451,588
Unrestricted investment earnings	3,556,171	-	1,567,250	2,793,229	1,650,873	379,523	7,078,365	3,291,660	1,110,329
Miscellaneous revenues	-	-	-	-	-	-	1,689,593	1,997,611	-
Donated land	-	-	-	-	-	-	-	-	16,683,838
Gain (loss) on sale of capital assets	5,822,656	(41,845)	(41,889)	35,881	413,528	1,023,973	(24,603)	35,658	12,621
Transfers	-	8,496,185	12,103,500	13,262,714	14,175,434	76,331,238	29,791,045	20,489,446	15,734,696
Special item-transfer of capital asset	-	-	-	20,145,837	-	-	-	-	-
Total business-type activities	11,311,022	9,954,128	14,976,205	38,059,736	18,848,742	91,159,722	47,334,897	36,870,089	43,993,072
Total primary government	\$ 92,409,497	\$ 90,025,596	\$ 93,803,616	\$ 99,974,383	\$ 107,869,870	\$ 128,002,895	\$ 132,523,303	\$ 120,185,128	\$ 125,344,460
<b>Change in Net Assets</b>									
Governmental activities	\$ 14,360,253	\$ 9,315,094	\$ 1,470,119	\$ (14,491,882)	\$ 14,128,273	\$ (51,817,824)	\$ (2,610,996)	\$ (9,402,824)	\$ (14,135,424)
Business-type activities	10,820,453	8,368,588	24,371,433	35,384,877	30,005,850	94,377,048	53,860,277	22,601,959	44,737,146
Total primary government	\$ 25,180,706	\$ 17,683,682	\$ 25,841,552	\$ 20,892,995	\$ 44,134,123	\$ 42,559,224	\$ 51,249,281	\$ 13,199,135	\$ 30,601,722

Note: GASB 34 Implemented 2002

TABLE III

CITY OF SANTA FE, NEW MEXICO  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST NINE FISCAL YEARS  
 (UNAUDITED)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund									
Reserved	\$ 639,743	\$ 835,208	\$ 1,675,855	\$ 1,517,007	\$ 1,187,102	\$ 1,469,090	\$ 3,920,763	\$ 2,063,939	\$ 1,823,960
Restricted	-	-	-	-	-	-	6,722,866	6,843,676	6,533,816
Unreserved	14453097	16,621,949	19,280,645	19,527,994	25,105,946	26,378,133	16,309,042	12,059,216	7,314,057
Total general fund	\$ 15,092,840	\$ 17,457,157	\$ 20,956,500	\$ 21,045,001	\$ 26,293,048	\$ 27,847,223	\$ 26,952,671	\$ 20,966,831	\$ 15,671,833
All Other Governmental Funds									
Reserved, designated for, reported in									
Special revenue funds	\$ 21,325,023	\$ 20,555,714	\$ 21,068,096	\$ 24,748,085	\$ 27,354,805	\$ 19,576,314	\$ 23,697,756	\$ 19,063,112	\$ 16,558,006
Debt service funds	5,453,066	7,112,747	5,108,988	4,627,065	71,980,338	18,536,628	25,927,119	4,738,444	4,802,848
Capital projects funds	48,561,040	42,877,220	55,001,474	50,737,536	51,579,609	46,262,108	51,720,722	56,203,130	37,176,386
Restricted, designated for, reported in									
Special revenue funds	-	-	-	-	-	2,689,162	250,000	250,000	250,000
Debt service funds	-	-	-	-	-	-	3,201,907	-	-
Total all other governmental funds	\$ 75,339,129	\$ 70,545,681	\$ 81,178,558	\$ 80,112,686	\$ 150,914,752	\$ 87,064,212	\$ 104,797,504	\$ 80,254,686	\$ 58,787,240

Note: GASB 34 Implemented 2002

CITY OF SANTA FE, NEW MEXICO  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST NINE FISCAL YEARS  
(UNAUDITED)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>									
Taxes	\$ 80,304,306	\$ 83,762,025	\$ 87,598,578	\$ 91,289,185	\$ 98,517,659	\$ 104,038,791	\$ 109,052,020	\$ 98,855,921	\$ 94,667,676
Licenses and permits	1,485,954	1,442,754	2,667,343	2,727,092	2,946,359	2,863,976	2,211,926	2,262,507	1,571,947
Intergovernmental revenues	6,244,338	11,117,950	8,176,008	18,204,501	10,003,225	8,140,070	12,067,485	16,866,069	15,447,798
Fees and charges for services	4,025,034	3,410,981	4,751,647	7,176,240	7,322,849	7,871,367	6,522,655	6,305,163	6,537,650
Sale of capital assets	30,663	3,976	18,888	79,164	197,052	20,793	42,601	42,204	215,508
Fines and forfeitures	376,051	421,146	319,827	375,497	290,372	304,993	527,173	516,267	526,846
Rents, royalties and concessions	647,162	298,861	566,737	99,520	165,520	165,995	130,047	130,047	126,043
Investment income	3,685,469	2,994,761	703,634	1,794,068	3,260,419	6,498,985	3,695,071	2,784,897	507,687
Land Sales	523,068	215,598	520,174	428,823	80,392	267,786	100,000	100,000	-
Other revenues	1,480,265	993,660	556,667	767,606	541,146	1,209,122	884,065	993,497	885,658
<b>Total Revenues</b>	<b>98,782,310</b>	<b>104,651,712</b>	<b>105,889,503</b>	<b>122,941,696</b>	<b>123,238,675</b>	<b>131,389,878</b>	<b>135,162,486</b>	<b>128,758,371</b>	<b>120,486,812</b>
<b>Expenditures</b>									
General government	16,655,252	17,408,043	18,286,525	29,315,163	19,036,303	22,514,387	26,330,509	27,641,394	25,807,820
Public safety	23,121,768	25,881,312	27,719,898	30,489,746	30,740,879	32,864,855	32,800,858	35,979,160	36,856,996
Public works	6,117,328	6,672,395	6,053,746	8,333,134	6,726,166	7,702,612	6,442,473	6,442,473	6,533,194
Community development	9,307,102	9,633,956	10,000,586	10,846,818	10,606,676	11,160,216	11,217,328	12,785,076	14,766,893
Culture and recreation	7,898,557	8,021,152	8,852,582	10,088,983	10,207,370	10,813,076	11,920,461	12,559,894	11,680,920
Education	2,210,671	2,274,474	2,450,329	2,522,707	2,668,199	2,732,739	2,859,578	2,892,938	2,983,168
Capital outlay	13,277,460	13,359,356	13,532,467	10,329,737	17,210,254	18,273,680	20,310,842	24,938,573	16,150,454
Capital outlay/inventory exempt	2,775,370	2,776,689	1,698,664	1,316,442	582,837	3,845,167	5,909,288	6,963,610	4,871,841
Debt Service:									
Principal	7,812,252	8,122,744	7,724,078	7,813,894	8,072,719	22,635,861	7,352,688	30,193,446	7,673,026
Interest and fiscal agent fees	5,642,227	5,445,483	5,681,334	5,505,673	6,050,067	10,603,454	5,361,324	6,301,926	5,784,564
<b>Total expenditures</b>	<b>94,817,957</b>	<b>99,595,614</b>	<b>102,000,189</b>	<b>114,542,267</b>	<b>111,553,470</b>	<b>143,146,047</b>	<b>130,299,103</b>	<b>166,698,490</b>	<b>133,118,876</b>
<b>Excess of revenues over (under)</b>	<b>3,964,353</b>	<b>5,056,098</b>	<b>3,889,314</b>	<b>8,399,429</b>	<b>11,685,205</b>	<b>(11,756,169)</b>	<b>4,863,383</b>	<b>(37,940,119)</b>	<b>(12,632,064)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	57,118,507	28,240,815	46,899,843	26,708,209	38,270,293	40,684,259	61,064,891	85,030,926	32,228,023
Transfers out	(63,290,445)	(35,874,406)	(56,589,827)	(39,687,743)	(52,070,727)	(116,975,199)	(90,855,936)	(104,721,290)	(46,365,517)
HUD loan payments (flow through)	-	-	-	-	-	25,656	7,862	58,866	7,113
Other uses	-	-	-	-	(300,000)	-	-	-	-
Other sources	18,944,263	-	19,860,589	1,716,667	14,986,587	-	-	-	-
Issuance of Bonds:									
Face value of bonds issued	-	-	-	8,470,000	59,890,000	24,940,000	40,135,000	26,370,000	-
Premium on issuance of bond	-	-	-	133,355	3,548,755	785,088	1,623,540	672,959	-
Payments to refund bond	-	-	-	(8,389,880)	-	-	-	-	-
<b>Total other Financing sources (uses)</b>	<b>12,772,325</b>	<b>(7,633,591)</b>	<b>10,290,605</b>	<b>(11,059,382)</b>	<b>64,364,908</b>	<b>(50,540,196)</b>	<b>11,975,357</b>	<b>7,411,461</b>	<b>(14,130,381)</b>
<b>Net change in fund balances</b>	<b>16,736,648</b>	<b>(2,577,492)</b>	<b>14,179,919</b>	<b>(2,659,963)</b>	<b>76,050,113</b>	<b>(62,296,365)</b>	<b>16,899,740</b>	<b>(30,528,656)</b>	<b>(26,762,445)</b>
Debt service as a percentage of noncapital expenditures	15.5%	15.7%	15.2%	12.8%	15.0%	26.6%	11.6%	25.7%	11.5%

Note: GASB 34 Implemented 2002

TABLE V

CITY OF SANTA FE, NEW MEXICO  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY  
 LAST TEN FISCAL YEARS, IN THOUSANDS OF DOLLARS  
 (UNAUDITED)

Fiscal Year Ended June 30	Real Property Assessed Value	Estimated Actual Value	Personal Property Assessed Value	Estimated Actual Value	Exemptions Real Property	Total Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Estimated
2001	1,936,438	5,809,895	67,293	201,899	24,175	1,979,555	5,944,610	33.3%
2002	2,026,036	6,084,192	71,447	214,556	24,087	2,073,426	6,226,505	33.3%
2003	2,141,583	6,431,180	68,192	204,780	29,939	2,179,836	6,456,054	33.3%
2004	2,338,417	7,022,273	70,907	212,934	33,767	2,375,557	7,133,805	33.3%
2005	2,587,264	7,769,562	71,734	215,417	36,567	2,622,431	7,875,168	33.3%
2006	2,849,552	8,557,213	78,279	235,072	38,889	2,888,942	8,675,502	33.3%
2007	3,138,480	9,424,865	72,456	217,586	39,751	3,171,185	9,523,081	33.3%
2008	3,315,706	9,957,075	175,280	526,985	39,987	3,450,999	10,363,360	33.3%
2009	3,506,494	10,530,012	67,798	203,598	68,934	3,505,358	10,526,601	33.3%
2010	3,632,556	10,908,577	62,630	187,913	67,679	3,627,507	10,893,414	33.3%

Note: The New Mexico State constitution regulates areas of property tax. The assessed valuation is set at 33 1/3% of market valuation by New Mexico statutes.

Source: Santa Fe County Assessor's Office

TABLE VI

CITY OF SANTA FE, NEW MEXICO  
 BOTH RESIDENTIAL AND NON-RESIDENTIAL  
 PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION  
 ALL DIRECT AND OVERLAPPING GOVERNMENTS  
 (UNAUDITED)

RESIDENTIAL

Tax Year Ended June 30	City	State	County	School District	Santa Fe Community College	Total Residential Tax Levy
2001	0.472	1.765	5.543	7.544	3.346	18.670
2002	0.468	1.123	5.360	7.578	3.318	17.847
2003	0.454	1.520	5.917	7.488	3.264	18.643
2004	0.459	1.028	5.624	7.162	3.221	17.494
2005	0.440	1.234	6.319	7.022	4.046	19.061
2006	1.033	1.291	6.147	6.999	2.220	17.690
2007	1.026	1.221	6.282	6.960	3.119	18.608
2008	1.516	1.250	6.476	6.982	3.160	19.384
2009	1.595	1.150	6.600	7.038	3.236	19.619
2010	1.772	1.530	6.570	7.040	3.220	20.132

NON-RESIDENTIAL

Tax Year Ended June 30	City	State	County	School District	Santa Fe Community College	Total Non- Residential Tax Levy
2001	1.234	1.765	9.438	7.781	4.046	24.264
2002	1.268	1.123	9.648	7.798	4.046	23.883
2003	1.292	1.520	10.608	7.803	4.046	25.269
2004	1.266	1.028	10.868	7.440	4.046	24.648
2005	1.284	1.234	11.824	7.443	4.046	25.831
2006	1.901	1.291	11.935	7.269	4.046	26.442
2007	1.945	1.221	11.856	7.237	4.030	26.289
2008	2.459	1.250	12.500	7.247	4.046	27.502
2009	2.856	1.150	13.780	7.310	4.046	29.142
2010	3.247	1.530	13.723	7.350	4.015	29.865

Source: New Mexico Department of Finance and Administration, Local Government Division

TABLE VII

CITY OF SANTA FE, NEW MEXICO  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND TEN YEARS AGO  
(UNAUDITED)

Taxpayer	2010			2000		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Public Service New Mexico	\$ 117,749,732	1	3.25%	\$ 33,303,855	2	1.82%
Qwest/ U.S. West	65,708,696	2	1.81%	64,083,640	1	3.50%
Singleton Properties	47,882,302	3	1.32%	-	-	-
NM Gas Company	46,725,046	4	1.29%	15,724,364	6	0.86%
B & B Santa Fe Mall LLC	36,725,044	5	1.01%	19,339,678	4	1.06%
Truzaf Ltd. Partnership	33,717,436	6	0.93%	-	-	-
Wal-Mart	28,209,389	7	0.78%	-	-	-
Encantado LTD	26,303,770	8	0.73%	-	-	-
La Posada	18,500,000	9	0.51%	-	-	-
De Vargas Mall	20,500,000	10	0.57%	-	-	-
El Dorado Partnership	-	-	-	18,294,500	5	1.00%
La Fonda Hotel	-	-	-	12,714,390	8	0.70%
St. Vincent Hospital	-	-	-	20,000,000	3	1.09%
IBM Credit Corporation	-	-	-	13,274,887	7	0.73%
Meadows Apartments	-	-	-	10,871,064	9	0.59%
Shadowridge Apartments	-	-	-	10,169,778	10	0.56%
<b>Total</b>	<b>\$ 442,021,415</b>		<b>12.19%</b>	<b>\$ 217,776,156</b>		<b>11.91%</b>

Source: Santa fe County Assessor's Office

TABLE VIII

CITY OF SANTA FE, NEW MEXICO		2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL TAXABLE BASE FOR GROSS RECEIPTS BY FISCAL YEAR (UNAUDITED)										
Agriculture, Forestry, Hunting, Fishing		14,535,305	13,323,327	14,835,226	14,233,052	15,543,808	15,220,498	14,074,406	15,377,597	12,204,888
Mining		-	-	28,792	-	-	55,455	8,736	272,856	-
Transportation, Comm., Utilities		125,832,865	125,328,634	126,928,178	132,492,509	134,687,705	88,766,665	99,278,414	94,502,403	76,608,504
Construction		226,063,778	260,034,725	263,352,787	271,432,965	380,430,714	388,417,042	436,060,485	404,777,586	274,052,776
Manufacturing		52,401,641	53,881,403	54,428,710	57,877,054	65,874,819	64,132,851	65,750,198	54,959,608	49,920,425
Wholesale		71,782,783	70,050,020	33,008,529	52,857,424	75,216,827	82,665,311	64,371,974	50,164,427	48,175,711
Retail		1,007,896,673	1,033,006,717	1,111,472,486	1,109,047,122	1,174,552,952	989,287,438	987,207,613	948,902,960	891,484,336
Finance, Insurance & Real Estate		82,194,438	76,265,903	90,920,308	101,515,174	112,402,443	111,654,920	108,156,523	89,564,306	80,082,754
Services		913,806,542	971,407,620	994,134,811	991,322,300	1,100,096,163	1,101,909,545	1,118,560,311	1,123,074,448	1,128,156,567
Government		-	-	19,848	231,683	-	5,802	9,243	-	-
Unclassified/Misc. Other		2,076,962	5,922,033	61,077,685	104,911,676	5,113,158	13,316,089	38,073,156	13,466,097	19,867,134
Total		2,496,590,987	2,609,220,382	2,750,207,360	2,835,920,959	3,063,918,589	2,855,431,615	2,931,551,059	2,795,062,288	2,580,553,095

Source: State of New Mexico Taxation and Revenue Department

Major changes in data format for earlier years preclude extending this table to earlier years.

Note: GASB 34 implemented 2002

TABLE IX

CITY OF SANTA FE, NEW MEXICO  
TOTAL GROSS RECEIPTS TAX BY CATEGORY  
(UNAUDITED)

	Fiscal Year									
	2002	2003	2004	2005	2006 <sup>(1)</sup>	2007	2008 <sup>(2)</sup>	2009	2010	
Agriculture, forestry, hunting	\$ 347,880	\$ 360,156	\$ 394,162	\$ 401,436	\$ 455,081	\$ 456,874	\$ 425,121	\$ 462,067	\$ 360,973	
Mining	588	722	(771)	-	-	1,663	112	8,238	272	
Utilities	-	101,488	1,502,911	1,216,904	1,543,145	2,240,231	2,312,988	2,244,517	2,283,430	
Construction	6,124,825	7,363,629	7,200,207	7,538,377	9,413,746	11,877,725	13,329,669	11,981,369	8,218,948	
Manufacturing	1,485,782	1,465,851	1,557,272	1,582,900	1,839,688	1,954,756	1,972,298	1,655,709	1,461,937	
Wholesale	1,959,464	2,002,390	1,811,327	1,453,583	1,726,084	2,541,040	1,923,131	1,483,543	1,342,178	
Retail	31,861,671	30,092,879	30,852,659	29,019,897	28,049,244	30,363,839	29,388,707	28,306,999	26,456,316	
Transportation & warehousing	3,234,982	763,649	150,146	210,111	217,660	389,881	625,939	532,132	514,611	
Information & Cultural Indust.	-	-	792,009	1,209,249	1,238,465	1,673,707	1,631,339	1,704,690	2,755,004	
Finance & insurance	2,323,365	1,726,658	669,778	775,655	809,785	960,829	1,168,871	982,546	881,891	
Real estate, rental & leasing	-	429,851	1,853,383	2,019,600	2,474,170	2,450,804	2,094,448	1,639,091	1,474,704	
Prof. Scientific, Technical	-	-	3,200,770	4,959,538	5,516,711	5,997,613	6,356,094	6,226,754	6,352,059	
Management of companies	-	50,162	241,479	241,936	300,174	376,823	344,512	300,802	228,036	
Admin & Support, Waste Mgt	-	-	35,204	101,389	203,807	289,906	442,406	445,420	539,050	
Educational Services	-	-	133,238	185,471	227,896	254,368	254,901	258,390	319,473	
Health Care & Social Assist	-	-	2,843,387	3,803,193	3,291,168	3,769,174	3,969,203	4,364,551	4,302,733	
Arts, Entertainment & Recr	-	-	131,952	236,192	271,597	342,073	387,837	364,818	398,593	
Accommodation & Food	-	-	4,392,307	7,431,444	8,900,411	10,039,922	10,134,875	9,950,881	9,424,398	
Other Services	21,819,789	21,644,932	15,566,920	10,932,030	10,278,795	10,291,231	9,940,018	9,540,958	8,583,369	
Public Administration	-	-	472	1,393	491	133	274	-	-	
Unclassified	-	-	2,231,658	2,490,505	3,948,493	463,376	1,199,556	402,126	381,402	
State Reimb-Food/Med Tax-Exempt	-	-	-	2,493,403	8,370,340	7,461,268	12,605,194	10,195,332	10,411,415	
Municipal Equivalent Distribution	-	-	-	-	-	-	-	115,947	302,556	
<b>Total GRT Revenue Distribution</b>	<b>\$ 69,158,346</b>	<b>\$ 72,002,023</b>	<b>\$ 75,560,469</b>	<b>\$ 78,304,206</b>	<b>\$ 89,076,953</b>	<b>\$ 94,197,236</b>	<b>\$ 100,507,493</b>	<b>\$ 93,166,880</b>	<b>\$ 86,993,348</b>	
<b>City direct Gross Receipts Tax rate</b>	<b>6.44%</b>	<b>6.69%</b>	<b>6.69%</b>	<b>7.31%</b>	<b>7.63%</b>	<b>7.63%</b>	<b>7.94%</b>	<b>7.94%</b>	<b>8.19%</b>	

Note: GASB 34 Implemented 2002.

Source: State of New Mexico Department of Taxation and Revenue Distribution Reports. Tax & Rev. collects and distributes these revenues to the City of Santa Fe. Taxation & Revenue has implemented revised reporting formats at different times over the years, compromising comparability with earlier years.

General grocery items are not taxable; Gross Receipts Tax (GRT) applies only to prepared food items and nonfood items.

<sup>(1)</sup> In July 2005 a 1/4% Water CIP was imposed. This increase is reflected in succeeding years.

<sup>(2)</sup> In May 2008 the City received a one-time allocation adjustment for the food tax exemption for approx. \$3,863,000.

TABLE X

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CITY OF SANTA FE, NEW MEXICO  
DIRECT AND OVERLAPPING GROSS RECEIPTS TAX RATES  
LAST NINE FISCAL YEARS  
(UNAUDITED)

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<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Santa Fe County</u>
2002	6.44%	5.88%
2003	6.69%	6.13%
2004	6.69%	6.13%
2005	7.31%	6.25%
2006	7.63%	6.31%
2007	7.63%	6.31%
2008	7.94%	6.63%
2009	7.94%	6.38%
2010	8.06%	6.50%

Source: New Mexico Taxation and Revenue Department

Note: The city gross receipts tax rate may be changed only with the approval of the state legislature.

Note: GASB 34 Implemented 2002

TABLE XI

CITY OF SANTA FE, NEW MEXICO  
SCHEDULE OF PLEDGED REVENUES  
FISCAL YEAR 2009 AND 2010  
(UNAUDITED)

	Fiscal Year	
	2009	2010
0.05% Municipal Gross Receipts Tax (GRT) revenues	\$ 14,963,291	\$ 14,145,489
MGRT Infrastructure revenues	1,848,786	1,747,049
MGRT Environmental revenues	1,850,077	1,747,319
State shared GRT revenues	37,407,649	35,693,466
<b>TOTAL</b>	<b>\$ 56,069,803</b>	<b>\$ 53,333,323</b>

CITY OF SANTA FE, NEW MEXICO  
SCHEDULE OF GROSS RECEIPTS TAX REVENUES  
FISCAL YEAR 2009 AND 2010  
(UNAUDITED)

	Fiscal Year	
	2009	2010
Municipal general GRT (Including Capital Improvements)	\$ 29,926,581	\$ 28,290,978
Infrastructure revenues	7,395,863	6,988,195
MGRT revenues	7,481,645	7,072,744
Environmental revenues	1,850,077	1,747,319
State-shared GRT revenues	37,407,649	35,693,466
Water Capital Outlay	7,356,853	6,957,221
<b>TOTAL</b>	<b>\$ 91,418,668</b>	<b>\$ 86,749,923</b>

Source: City of Santa Fe Cash Management and Investment Officer

CITY OF SANTA FE, NEW MEXICO  
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
 AND NET BONDED DEBT PER CAPITA  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

## GENERAL FUND EQUITY DEBT

Fiscal Year Ended June 30	Population <sup>1</sup>	Assessed Value <sup>2</sup>	Total General Obligation Debt Outstanding June 30	Amount Available Debt Service Fund	Net Bonded Debt	Ratio of Net Long Term Debt To Assessed Value	Net General Long Term Debt Per Capita
2001	63,000	1,979,555,408	-	-	-	-	-
2002	63,500	2,073,426,259	-	-	-	-	-
2003	64,700	2,179,835,636	-	-	-	-	-
2004	65,800	2,375,557,803	-	-	-	-	-
2005	66,500	2,622,431,696	-	-	-	-	-
2006	68,359	2,888,942,909	-	-	-	-	-
2007	69,142	3,171,185,528	-	-	-	-	-
2008 (3)	69,961	3,450,998,939	20,000,000	-	20,000,000	0.58%	286
2009	70,661	3,505,357,810	20,000,000	1,538,960	18,461,040	0.57%	261
2010	67,947	3,627,507,187	19,400,000	2,003,936	17,396,064	0.53%	256

<sup>1</sup> Estimated population figures for 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008 and 2009 were provided by the City of Santa Fe Planning Department staff. Estimated population figures for 2010 were provided by US Census Bureau.

<sup>2</sup> Assessment are made by the elected Santa Fe County Assessor. Assessment are made each year in January. Amounts represent thirty-three and one-third percent of market value as set by state statute.

<sup>3</sup> The City issued its first general obligation debt in 28 years on June 10, 2008

TABLE XIII

CITY OF SANTA FE, NEW MEXICO  
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
 FOR GENERAL OBLIGATION BONDED DEBT  
 TO TOTAL GENERAL FUND EXPENDITURES  
 LAST THREE FISCAL YEARS  
 (UNAUDITED)

FISCAL YEAR	PRINCIPAL	INTEREST	DEBT SERVICE	TOTAL GENERAL FUND EXPENDITURE	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
2008	\$ -	\$ -	\$ -	\$ -	0.00%
2009	-	541,860	541,860	68,683,865	0.0079
2010	600,000	829,457	1,429,457	67,956,485	0.0210

The City of Santa Fe issued its first general obligation bond in 28 years on June 10, 2008

TABLE XIV

CITY OF SANTA FE, NEW MEXICO  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 JUNE 30, 2010  
 (UNAUDITED)

	General Obligation as of June 30, 2010	Percentage Applicable to City of Santa Fe	City of Santa Fe Share of Debt
State of New Mexico	\$ 398,580,000	6.44%	\$ 25,668,552
City of Santa Fe	19,400,000	100.00%	19,400,000
Santa Fe County	176,512,507	52.78%	93,163,301
Santa Fe Public Schools	109,025,000	57.03%	62,176,958
Santa Fe Community College	23,300,000	57.03%	<u>13,287,990</u>
Total Direct and Overlapping Debt			<u><u>\$ 213,696,801</u></u>

## Ratios:

Total direct and overlapping debt to assessed valuation for tax year 2010 \$3,627,507,187	5.89%
Direct and overlapping debt to actual valuation of \$10,893,414,976	1.96%
Direct and overlapping debt per capita of 67,947	\$ 3,145

CITY OF SANTA FE, NEW MEXICO  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assessed Value										\$ 3,627,507,187
Debt Limit (4% of Assessed Value)										\$ 145,100,287
Debt applicable to limit										(19,400,000)
General obligation bonds										
Less: Amount set aside for repayment of general obligation debt										
Total net debt applicable to limit										\$ 125,700,287
Legal debt margin										
Debt Limit	\$ 79,182,200	\$ 82,937,050	\$ 87,193,425	\$ 95,022,312	\$ 104,897,268	\$ 115,557,716	\$ 126,847,421	\$ 138,039,594	\$ 145,100,287	\$ 145,100,287
Total net debt applicable to limit										(19,400,000)
Legal debt margin										
Total net debt applicable to the limit as a percentage of debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	14.49%	14.26%	13.37%

Note: Under state finance law, the city's outstanding general obligation debt should not exceed 4 percent of total assessed property value.

CITY OF SANTA FE, NEW MEXICO  
 PLEDGED- REVENUE COVERAGE  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

**Refuse System Bonds**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt		Coverage
				Principal	Service Interest	
2001	7,217,858	6,972,029	245,829	845,000	204,603	0.23
2002	7,686,945	6,407,879	1,279,066	855,000	173,020	1.24
2003	9,168,144	7,313,927	1,854,217	975,000	130,176	1.68
2004	8,758,678	7,389,506	1,369,172	830,000	79,800	1.50
2005	9,002,479	7,568,713	1,433,766	775,000	38,750	1.76
2006	9,586,034	8,177,846	1,408,188	-	-	-
2007	-	-	-	-	-	-
2008	-	-	-	-	-	-
2009	-	-	-	-	-	-
2010	-	-	-	-	-	-

**Water Refunding Bonds**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt		Coverage
				Principal	Service Interest	
2001	22,525,336	14,825,552	7,699,784	2,560,000	4,313,092	1.12
2002	28,391,646	9,782,972	18,608,674	2,680,000	4,197,892	2.71
2003	30,603,150	12,980,867	17,622,283	2,805,000	4,074,612	2.56
2004	28,068,292	16,399,297	11,668,995	2,935,000	3,942,778	1.70
2005	25,672,488	16,891,351	8,781,137	3,170,000	3,707,978	1.28
2006	27,989,331	16,124,320	11,865,011	3,425,000	3,454,378	1.72
2007	30,092,304	18,063,030	12,029,274	3,695,000	3,549,049	1.66
2008	30,583,912	17,138,584	13,445,328	3,995,000	2,725,818	2.00
2009	26,473,819	18,182,591	8,291,228	2,105,000	2,406,218	1.84
2010	32,456,123	20,144,274	12,311,849	2,195,000	2,316,756	2.73

**Municipal Recreation Complex Bonds**

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt		Coverage
				Principal	Service Interest	
2001	3,244,066	1,190,557	2,053,509	335,000	1,014,747	1.52
2002	2,316,542	727,534	1,589,008	465,000	996,190	1.09
2003	2,288,481	740,862	1,547,619	495,000	973,632	1.05
2004	2,433,497	817,025	1,616,472	515,000	949,227	1.10
2005	2,392,543	1,740,581	651,962	545,000	923,133	0.44
2006	2,280,039	1,578,402	701,637	580,000	894,988	0.48
2007	2,097,707	1,583,318	514,389	670,000	606,128	0.40
2008	2,382,508	1,533,264	849,244	705,000	579,328	0.66
2009	2,661,658	1,564,447	1,097,211	735,000	554,652	0.85
2010	2,188,038	1,438,896	749,142	760,000	528,928	0.58

CITY OF SANTA FE, NEW MEXICO  
 RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Fiscal Year	Government Activities					Business-Type Activities					Total Primary Government	Percent of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>		
	GRT Bonds	General Oblig. Bonds	NMFA Loans	HUD 108 Loan	SFPS <sup>1</sup> Loan	Capital Lease	MRC Bonds	Convention Center Bonds	Water Bonds	Wastewater Bonds				Solid Waste Bonds	NMFA Loans
2000	110,875,000	-	-	-	-	2,650,328	18,385,000	-	73,480,000	-	-	-	205,390,328	12.97%	3,302
2001	103,305,000	-	-	-	-	2,153,234	18,050,000	70,920,000	-	-	2,045,532	196,473,766	11.90%	3,119	
2002	113,775,000	-	-	-	-	1,529,916	17,585,000	68,240,000	-	-	1,903,148	203,033,064	11.84%	3,197	
2003	105,955,000	-	-	-	-	1,009,666	17,090,000	65,435,000	-	-	1,755,647	191,245,313	10.63%	2,956	
2004	117,210,000	-	-	-	-	462,868	16,575,000	62,500,000	-	-	1,604,296	198,352,164	10.52%	3,014	
2005	109,910,000	-	1,166,667	300,000	-	110,959	16,030,000	59,330,000	-	-	7,135,548	193,983,174	9.89%	2,917	
2006	161,900,000	-	16,021,535	299,000	-	1,033,941	14,515,000	55,905,000	-	-	5,686,677	255,361,153	12.14%	3,736	
2007	164,345,000	-	15,881,674	298,000	-	770,795	13,845,000	53,785,000	-	-	14,221,135	263,146,604	12.01%	3,806	
2008	92,615,000	20,000,000	15,739,976	297,000	-	520,046	13,140,000	49,790,000	26,895,000	13,710,000	28,962,201	312,174,223	13.71%	4,462	
2009	85,435,000	20,000,000	19,114,530	279,000	-	261,059	12,405,000	47,685,000	25,775,000	13,145,000	29,150,052	302,859,641	13.04%	4,286	
2010	78,660,000	19,400,000	18,834,504	261,000	560,000	-	11,645,000	105,310,000	24,535,000	12,455,000	59,086,893	379,347,397	18.22%	5,423	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. See the Table XV Economic and Demographic Information for personal income and population data. GRT/revenue debt for solid waste, convention center and wastewater was reclassified FY 2007-2008 to respective enterprise funds. <sup>1</sup> SFPS is Santa Fe Public Schools for land purchase.

Resources: City of Santa Fe's Investment Officer and the Planning Department Staff.

CITY OF SANTA FE, NEW MEXICO  
DEMOGRAPHIC AND ECONOMIC INFORMATION  
(UNAUDITED)

Year	Population	Personal Income ( <i>thousands of dollars</i> )	Per Capita Personal Income	Unemployment Rate
2001	63,000	1,651,734	26,218	3.60%
2002	63,500	1,714,754	27,004	3.80%
2003	64,700	1,799,566	27,814	4.30%
2004	65,800	1,885,104	28,649	4.30%
2005	66,500	1,962,282	29,508	4.50%
2006	68,359	2,103,816	30,776	3.50%
2007	69,142	2,191,041	31,689	3.10%
2008	69,961	2,276,951	32,546	3.30%
2009	70,661	2,322,698	32,871	6.70%
2010	67,947	2,022,238	29,762	5.60%

Source: The City of Santa Fe's Planning Department

**POPULATION:**

YEAR	CITY	COUNTY	STATE
2001	63,000	130,915	1,829,146
2002	63,500	134,525	1,855,059
2003	64,700	138,000	1,874,614
2004	65,800	141,000	1,903,289
2005	66,500	144,000	1,928,384
2006	68,359	144,809	1,954,599
2007	69,142	146,295	1,964,402
2008	69,961	147,781	1,984,356
2009	70,661	149,870	2,009,671
2010	67,947	144,170	2,059,179

Source: Estimated population figures for 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007 and 2009 were provided by the City of Santa Fe Planning Dept. Staff. Estimates for State for State population for 2000-2010 were provided by the Bureau of Business and Economic Research and U.S. Census

**AGE PROFILE:**

AGE	CITY	STATE	UNITED STATES
0-19	20.80%	28.20%	26.90%
20-34	17.60%	19.90%	20.30%
35-44	12.60%	12.10%	13.30%
45-54	14.60%	14.10%	14.60%
55+	34.40%	25.70%	24.90%
	100.00%	100.00%	100.00%

Source: Age profile for, "State and United States," U.S. Department of Commerce released December 2010.

(Continued)

CITY OF SANTA FE, NEW MEXICO  
DEMOGRAPHIC AND ECONOMIC INFORMATION  
(UNAUDITED)

**INCOME PROFILE:****HOUSEHOLD INCOME DISTRIBUTION, SANTA FE COUNTY, 2000:**

INCOME \$	NUMBER OF HOUSEHOLDS	PERCENT OF HOUSEHOLDS
Under 10,000	4,787	9%
10,000 to 14,999	3,157	6%
15,000 to 24,999	6,573	13%
25,000 to 34,999	6,834	13%
35,000 to 49,999	8,863	17%
50,000 to 74,999	9,672	18%
75,000 to 99,000	5,771	11%
100,000 and more	6,824	13%
Total Households	<u>52,481</u>	<u>100%</u>

The table above sets forth Income Profile based on the 2000 U.S. Census Bureau for 2000.

The table below sets forth the per-capita income, based on the total gross income divided by population, for Santa Fe County, the State of New Mexico and the United States.

CALENDAR YEAR	SANTA FE COUNTY	STATE OF NEW MEXICO	UNITED STATES
1999	29,346	20,920	27,859
2000	29,949	21,931	29,469
2001	31,568	23,081	30,413
2002	32,932	24,730	30,795
2003	32,378	24,903	31,487
2004	36,095	26,184	33,090
2005	37,934	28,042	34,685
2006	38,854	29,929	36,714
2007	40,020	31,474	38,611
2008	41,221	33,019	39,769

Source: Bureau of Business & Economic Research, UNM 2009 and 2010 information not available

(Continued)

CITY OF SANTA FE, NEW MEXICO  
DEMOGRAPHIC AND ECONOMIC INFORMATION  
(UNAUDITED)

**PUBLIC SCHOOL DISTRICT ENROLLMENT**

The Santa Fe Public School District consists of 21 elementary schools (which includes kindergarden), 4 mid-high schools, and 2 high schools.

YEAR	PRE-KINDERGARTEN KINDERGARTEN	1-6	7-12	SPECIAL EDUCATION	TOTAL
2001	1,011	6,860	5,507	0	13,378
2002	1,015	6,879	5,199	0	13,093
2003	1,094	6,745	5,626	0	13,465
2004	1,056	6,819	5,682	0	13,557
2005	1,292	6,770	5,673	0	13,735
2006	1,269	6,796	5,675	0	13,740
2007	1,241	6,850	5,274	0	13,365
2008	1,216	6,947	5,395	0	13,558
2009	1,164	7,061	5,366	0	13,591
2010	1,256	7,157	5,271	0	13,684

The NM Department of Education no longer separately reports special education for public school.

Source: New Mexico Department of Education

**PRIVATE SCHOOL DISTRICT ENROLLMENT-ASSESS EVALUATION UNIT**

Santa Fe has 27 private and/or parochial schools, grades 1-12.

YEAR	KINDERGARTEN	1-6	7-12	SPECIAL EDUCATION	TOTAL
2000	228	874	1,994	1	3,097
2001	263	868	1,700	0	2,831
2002	222	872	2,258	0	3,352
2003	275	847	2,244	0	3,366
2004	216	805	2,263	0	3,284
2005	188	820	2,379	0	3,387
2006	150	808	1,600	0	2,558
2007	195	859	1,643	0	2,697
2008	482	875	2,379	0	3,736
2009	394	835	2,326	0	3,555
2010	370	827	2,254	0	3,451

Source: New Mexico Department of Education

(Continued)

CITY OF SANTA FE, NEW MEXICO  
 DEMOGRAPHIC AND ECONOMIC INFORMATION  
 (UNAUDITED)

## HIGHER EDUCATION ENROLLMENT

School Year Ending	College of Santa Fe	Santa Fe Community College	St. Johns College	UNM Graduate Center	Institute of Indian Arts
2000	1,788	5,078	528	173	130
2001	2,392	8,421	516	118	146
2002	2,369	8,535	467	118	194
2003	2,520	8,756	444	82	199
2004	2,565	9,747	450	15	182
2005	2,543	8,592	463	34	231
2006	2,576	8,537	473	40	239
2007	2,614	8,961	473	50	337
2008	2,121	9,039	483	33	270
2009	931	9,393	473	69	325
2010	268	9,799	463	Not Avail.	442

Source: Individual Institutions

TABLE XIX

CITY OF SANTA FE, NEW MEXICO  
PROPERTY VALUE, CONSTRUCTION PERMITS AND UTILITY CONNECTIONS  
LAST TEN CALENDAR YEARS  
(UNAUDITED)

CALENDAR YEAR	PROPERTY VALUE <sup>1</sup>	CONSTRUCTION PERMITS <sup>2</sup>	
		ISSUED	VALUE
2001	3,616,542,015	5,209	154,772,016
2002	3,789,882,996	6,392	154,617,427
2003	4,053,243,194	6,006	135,332,034
2004	4,374,594,705	6,722	160,606,719
2005	4,887,341,479	6,871	487,596,832
2006	5,405,014,766	7,076	249,530,361
2007	6,074,890,747	6,224	213,697,011
2008	6,550,808,648	4,925	142,844,833
2009	6,736,975,380	3,864	136,960,866
2010	6,890,742,053	3,870	125,204,260

Utility Connections

CALENDAR YEAR	WATER METERS <sup>3</sup>	ELECTRIC METERS <sup>4</sup>	GAS METERS <sup>5</sup>
2001	28,893	58,593	40,489
2002	31,477	60,515	41,968
2003	31,615	62,330	42,599
2004	33,734	64,199	43,876
2005	35,287	66,124	45,192
2006	36,169	68,107	46,547
2007	37,073	70,150	47,943
2008	37,991	72,254	49,381
2009	39,131	74,422	50,862
2010	39,393	76,654	52,387

Source:

<sup>1</sup> Santa Fe County Assessor: Value of property on which taxes are assessed.

<sup>2</sup> City of Santa Fe Building Inspectors Office.

<sup>3</sup> Sangre De Cristo Water Division

<sup>4</sup> Public Service Company of New Mexico

<sup>5</sup> New Mexico Gas Company

TABLE XX

CITY OF SANTA FE, NEW MEXICO  
TEN LARGEST EMPLOYERS  
SANTA FE METROPOLITAN AREA  
JUNE 30, 2010  
(UNAUDITED)

EMPLOYER	TYPE OF BUSINESS	APPROXIMATE NUMBER OF EMPLOYEES	PERCENTAGE <sup>1</sup>
State of New Mexico	Government	9,443	12.1%
Santa Fe School District	Education	1,850	2.4%
U.S. Federal Government	Government	1,750	2.2%
City of Santa Fe	Government	1,719	2.2%
St. Vincent Hospital	Medical	1,450	1.9%
Santa Fe County	Government	815	1.0%
Santa Fe Community College	Education	717	0.9%
Santa Fe Opera	Entertainment	650	0.8%
College of Santa Fe	Education	564	0.7%
Santa Fe Ski Company	Recreation	<u>437</u>	<u>0.6%</u>
Totals		<u><u>19,395</u></u>	<u><u>24.8%</u></u>

<sup>1</sup> These percentages are based on a total civilian labor force (Santa Fe County) of 78,148 from the New Mexico Deptment of Labor for 2010.

CITY OF SANTA FE, NEW MEXICO  
**AUTHORIZED BUDGETED POSITIONS OF CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**FOR THE LAST TEN FISCAL YEARS**  
 (UNAUDITED)

	Authorized Budgeted Positions of Employees as of June 30									
Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government	329	267	262	271	271	284	313	313	325	307
Public safety										
Police										
Officers	115	147	151	150	150	150	120	158	162	160
Civilians	34	73	48	49	49	49	80	42	45	42
Fire										
Firefighters and officers	107	113	112	112	112	118	127	126	140	145
Civilians	13	10	12	10	10	9	15	16	19	8
Highways and streets										
Engineering	6	60	65	71	71	77	72	74	83	75
Maintenance	121	83	83	87	87	83	84	80	78	78
Sanitation	89	65	125	135	135	132	131	131	132	132
Culture and recreation	538	552	561	570	570	574	567	570	585	570
Water	82	119	71	74	80	86	86	87	105	95
Transit	72	78	78	84	84	89	101	111	117	116
Parking	53	58	60	59	59	54	56	58	70	64
<b>Total</b>	<b>1559</b>	<b>1625</b>	<b>1628</b>	<b>1672</b>	<b>1678</b>	<b>1705</b>	<b>1752</b>	<b>1766</b>	<b>1861</b>	<b>1792</b>

Source: City of Santa Fe Budget Office

CITY OF SANTA FE, NEW MEXICO  
SCHEDULE OF INSURANCE IN FORCE  
June 30, 2010  
(Unaudited)

Insurance Carrier/Description	Policy #	Term	Coverage Limits	Annual Premium	Deductible	Miscellaneous
I. City of Santa Fe Self Insurance A. Worker's Compensation B. Group Health Insurance		Jul 01 - Jun 30	Maximum benefits under law Unlimited	\$900,869 \$13,962,924	\$400,000	(Medical and Indemnity)
II. Midwest Employers Casualty Company Excess Worker's Compensation	SP-9938-NM	July 1 - June 30	Statutory limit	\$107,976	\$400,000	Self-Insured Retention
III. St. Paul Insurance Company, Public Entity Package A. Public Building Contents/Pers. Prop B. General Liability	GPO6301413	July 1 - June 30	\$250,000,000 Aggregate \$3 million, \$1,050,000 tort limit	\$1,939,929	\$75,000 \$50,000	Self-Insured Retention
C. Foreign Jurisdiction			\$1,050,000		\$50,000	Self-Insured Retention
D. Auto Liability			\$1,050,000		\$50,000	Self-Insured Retention
E. Auto Physical Damage			Actual Cash Value		\$25,000	Self-Insured Retention
F. Healthcare Professional			\$1,050,000		\$50,000	
G. Inland Marine			Various		\$25,000	
H. Law Enforcement			\$4,000,000	\$326,461	\$50,000	
I. Public Officials & Employment Practices			\$4,000,000	\$96,674	\$100,000	
IV. Travelers Indemnity Company Boiler/Machinery Hazardous Substance Water Damage Ammonia Contamination Expediting Expenses Ordinance or Law	BAJBM0802X85507L07	July 1 - June 30	\$10,000,000 \$100,000 \$100,000 \$100,000 \$100,000 \$500,000	\$28,458	\$5,000	
V. The Hartford Insurance Company A. Crime (TD&D - Money & Securities) B. Employee Dishonesty	59BPEDK8427 59BPEDK8427	July 1 - June 30 July 1 - June 30	\$100,000 \$500,000	\$3,152 \$5,711	\$5,000 \$5,000	
VI. HUB International A. Ace Property & Casualty Insurance Company Airport General Liability	AAPN0097867A	July 1 - June 30	\$20,000,000	\$14,900	\$2,500	
VII. Ing Benefits (ReliaStar) A. Specific Stop Loss B. Aggregate Stop Loss C. Supplemental Life	26001-1	Aug 31 - Aug 31	Medical in excess of \$200,000 \$2,000,000 2x annual salary-Natural death, 4x annual salary-Accidental death	\$536,530 \$60,021 \$424,318		Stoploss
VIII. Zurich American Insurance Company Underground Storage Tank Liability	USC 92723845	July 1 - June 30	\$1,000,000 Total	\$4,926	\$5,000	
IX. Chartis A. Pollution Legal Liability B. Santa Fe Solid Waste Mgmt. Agency C. Fiduciary Employee Benefit Plan	PLS2673957 EG 2671908 672-82-86	July 1 - June 30 July 1 - June 30 July 1 - June 30	\$2,000,000 aggregate \$1,000,000 \$2,000,000 aggregate	\$74,185 \$53,228 \$9,980	\$50,000 \$25,000 \$25,000	Retention
X. Fireman's Fund Exhibition Floater	MXI-98387070	July 1 - June 30	\$25,000	\$1,000	\$500	
XI. St. Paul Insurance Co. Skateboard/BMXTrack/Parks	GPO6301413	July 1 - June 30	\$1,000,000 aggregate	Inc'l in Blanket Policy	\$50,000	Self Insurance Retention

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CITY OF SANTA FE, NEW MEXICO  
MISCELLANEOUS STATISTICS  
(UNAUDITED)

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Form of Government

The City has a mayor/council/city manager form of government with the mayor and eight member council elected by district for four-year overlapping terms. The non-partisan elections are held each March of odd numbered years.

The City Charter provides for a City Manager appointed by the Mayor and approved by the Council who is responsible for the administration of the merit system and, subject to the authority of the Mayor, supervises the operation of all departments.

Year of incorporation	1891
City area (square miles)	44.8
Fire Protection	
Number of stations (Manned and Unmanned)	9
Total employees (Includes 6 Civilians)	150
Police Protection	
Number of stations	2
Total employees (Includes 42 Civilians)	196
Parks	
Acreage (developed, not open space or trails)	1,225
Number of parks	87
Community centers and recreational buildings	2
Swimming pools	4
Tennis courts	23
Libraries	
Holdings	379,896 items
Circulation	728,477 per year
Municipal Sewer	
Number of sewer accounts	35,643
Miles of sanitary lines	345

Notes:

Data as of June 30, 2010

## **Supplementary Schedules**

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CITY OF SANTA FE, NEW MEXICO  
 COMBINED SCHEDULE OF DEPOSITS AND INVESTMENTS  
 (RECONCILIATION OF BANK BALANCE TO CARRYING BALANCE)  
 ALL FUNDS  
 June 30, 2010

	Type of Account	Bank Balance	Outstanding Checks	Deposits In Transit	Carrying Balance	FAIR VALUE
<b>Primary government</b>						
Change, imprest funds	Petty cash	\$ -	\$ -		\$ 247,635	\$ 247,635
Deposits with financial institutions:						
Wells Fargo Bank - General Liability	Checking	75,711	12,448	-	63,263	63,263
Wells Fargo Bank - Workers' Comp.	Checking	69,010	32,675	447	36,782	36,782
Wells Fargo Bank - HUD Loan Repayment	Checking	27,024	-	-	27,024	27,024
Wells Fargo Bank - HUD Debt Service Reserve	Checking	40,036	-	-	40,036	40,036
Wells Fargo Bank - Common	Checking	590,033	-	-	590,033	590,033
Wells Fargo Bank - Overland Sweep	Sweep	11,199,305	1,237,256	1,313,940	11,275,989	11,275,989
Wells Fargo Bank - Credit Card	Checking	-	-	68,679	68,679	68,679
Wells Fargo Bank - Payroll	Checking	1,249,441	41,211	123,786	1,332,016	1,332,016
Wells Fargo Bank - Business Savings	Savings	38,796,274	-	-	38,796,274	38,796,274
Los Alamos National Bank Savings	Savings	2,005,818	-	-	2,005,818	2,005,818
First National Bank of Santa Fe Checking	Checking	3,013,527	-	-	3,013,527	3,013,527
New Mexico Finance Auth. Fire Vehicle Loan-Reserve	Trust	116,869	-	-	116,869	116,869
New Mexico Finance Auth.-Fire Vehicle	Trust	199	-	-	199	199
New Mexico Finance Auth.-Parking Garage	Trust	4	-	-	4	4
New Mexico Finance Auth.-Land Acquisition	Trust	3	-	-	3	3
New Mexico Finance Auth. - Railyard II Tax Exempt	Trust	6	-	-	6	6
New Mexico Finance Auth. - Railyard II Taxable	Trust	1	-	-	1	1
New Mexico Finance Auth. - Railyard I Reserve T-Ex	Trust	429,133	-	-	429,133	429,133
New Mexico Finance Auth. - Railyard I Reserve Taxable	Trust	52,833	-	-	52,833	52,833
New Mexico Finance Auth. - College of Santa Fe	Trust	10	-	-	10	10
New Mexico Finance Auth.-SWAMA Reserve	Trust	100,175	-	-	100,175	100,175
New Mexico Finance Auth.-SWAMA	Trust	3	-	-	3	3
New Mexico Finance Auth.-Buckman	Trust	7	-	-	7	7
Century Bank-Certificate of Deposit	Time Deposit	250,000	-	-	250,000	250,000
Guadalupe Credit Union-CD	Time Deposit	250,000	-	-	250,000	250,000
First Community Bank-CD	Time Deposit	500,000	-	-	500,000	500,000
State Employees Credit Union-CD	Time Deposit	250,000	-	-	250,000	250,000
Los Alamos National Bank-CD	Time Deposit	250,000	-	-	250,000	250,000
Los Alamos National Bank-CD	Time Deposit	10,000,000	-	-	10,000,000	10,000,000
Community Bank-CD	Time Deposit	250,000	-	-	250,000	250,000
Community Bank-CD	Time Deposit	2,500,000	-	-	2,500,000	2,500,000
Community Bank-CD	Time Deposit	2,500,000	-	-	2,500,000	2,500,000
First National Bank of Santa Fe	Time Deposit	278,136	-	-	278,136	278,136
First National Bank of Santa Fe	Time Deposit	3,000,000	-	-	3,000,000	3,000,000
First National Bank of Santa Fe	Time Deposit	3,000,000	-	-	3,000,000	3,000,000
<b>Total bank and carrying balances</b>		<b>80,793,558</b>	<b>1,323,590</b>	<b>1,506,852</b>	<b>80,976,820</b>	<b>80,976,820</b>
Wells Fargo Gov't Money Market - 2009A&B Reserve-Cash	Investment	2,525,038	-	-	2,525,038	2,525,038
Wells Fargo Gov't Money Market - 2009A&B Reserve-Bonds	Investment	2,775,000	-	-	2,775,000	2,775,000
Wells Fargo Gov't Money Market - 2009B BABs Account-Cash		15	-	-	15	15
Wells Fargo Government Money Market - Cash	Investment	66,552	-	-	66,552	66,552
NM State Local Government Investment Pool (LGIP)	Investment	643,768	-	-	643,768	643,768
NM State LGIP Reserve Contingency Fund	Investment	159,981	-	-	159,981	159,981
U.S. Government Agency Securities	Investment	99,235,703	-	-	99,235,703	100,667,936
U.S. Treasuries	Investment	10,500,000	-	-	10,500,000	10,566,665
New Mexico Municipal Securities	Investment	11,665,000	-	-	11,665,000	11,967,412
<b>Total investment balances</b>		<b>127,571,057</b>	<b>-</b>	<b>-</b>	<b>127,571,057</b>	<b>129,372,367</b>
<b>Total Accounts</b>		<b>208,364,615</b>	<b>1,323,590</b>	<b>1,506,852</b>	<b>208,795,512</b>	<b>210,596,822</b>
Less: joint venture share of pooled cash		(17,849,183)	-	-	(17,849,183)	(18,030,654)
<b>Total primary government</b>		<b>190,515,432</b>	<b>1,323,590</b>	<b>1,506,852</b>	<b>190,946,329</b>	<b>192,566,168</b>

(continued)

Component unit							
Change, imprest funds	Petty cash	\$ -	\$ -	\$ -	\$ 225	\$ -	\$ 225
Deposits with financial institutions:							
NM Bank & Trust							
Operating (Camino consuelo)	Savings	272,633	-	-	272,633	-	272,633
Market max 57 (la Cieneguita)	Savings	11,534	183	-	11,351	-	11,351
Market max 65(la Cieneguita)	Savings	130,022	-	-	130,022	-	130,022
Market max 56 (la Cieneguita)	Savings	46,953	-	-	46,953	-	46,953
Market max 64 (la Cieneguita)	Savings	5,220	-	-	5,220	-	5,220
Operating (Camino Consuelo)	Checking	76,962	54,802	-	22,160	-	22,160
Valley National Bank							
Operating (Espanola)	Checking	494,228	28,196	-	466,032	-	466,032
Operating (Espanola Voucher)	Checking	486,151	-	-	486,151	-	486,151
FSB Escrow (Espanola Voucher)	Savings	700	-	-	700	-	700
First Community Bank							
General Fund Operating	Checking	1,157,038	267,105	-	889,933	-	889,933
Operating (Voucher)	Checking	1,305,200	50,866	-	1,254,334	-	1,254,334
FSB Reserves	Savings	78,282	-	30	78,312	-	78,312
FSB Escrow	Checking	119,562	414	-	119,148	-	119,148
Los Alamos National Bank							
Board account	Savings	856,804	-	-	856,804	-	856,804
Operating (Camino Consuelo)	Checking	604,208	5,444	-	598,764	-	598,764
Security deposit (Camino Consuelo)	Checking	18,591	-	-	18,591	-	18,591
Rehabilitation (SF Hsg Dev Corp)	Savings	283,981	-	-	283,981	-	283,981
Repair and Replace (SF Hsg Dev Corp)	Savings	130,373	-	-	130,373	-	130,373
Operating (Cielo Azul)	Checking	147,625	10,839	-	136,786	-	136,786
Debt Service Reserve (SF Hsg Dev Corp)	Savings	169,517	-	-	169,517	-	169,517
Security deposit (Housing Authority)	Checking	19,960	607	-	19,353	-	19,353
Employee Fund	Checking	2,616	-	-	2,616	-	2,616
Operating (Region II)	Checking	380,723	2,906	-	377,817	-	377,817
TBRA (Section 8)	Checking	7,130	-	703	7,833	-	7,833
FSS PH (Operating)	Checking	17,214	-	1,187	18,401	-	18,401
Total bank and carrying balances		<u>6,823,227</u>	<u>421,362</u>	<u>1,920</u>	<u>6,404,010</u>		<u>6,404,010</u>
Investments							
Los Alamos National Bank							
Certificate of Deposit (Operating)	Certificate of Deposit	50,000	-	-	50,000	-	50,000
First Community Bank							
Certificate of Deposit	Certificate of Deposit	510,329	-	-	510,329	-	510,329
		560,329	-	-	560,329	-	560,329
<b>Total component unit</b>		<u>7,383,556</u>	<u>421,362</u>	<u>1,920</u>	<u>6,964,339</u>		<u>6,964,339</u>
<b>TOTAL BANK BALANCE ALL FUNDS</b>			<u>\$ 1,744,952</u>	<u>\$ 1,508,772</u>	<u>\$ 197,910,668</u>		<u>\$ 199,530,507</u>

CITY OF SANTA FE, NEW MEXICO  
SCHEDULE OF PLEDGED COLLATERAL  
(MARKET VALUE)  
June 30, 2010

	<u>Bank Balance</u>	<u>Total Unsecured Public Funds</u>	<u>Pledged Securities Market Value</u>	<u>Maturity Date</u>
<b>PRIMARY GOVERNMENT:</b>				
<b><u>WELLS FARGO BANK:</u></b>				
General Liability Checking	75,711			
Worker's Comp. Checking	69,010			
HUD Debt Service Reserve Checking	27,024			
Common Checking	590,033			
<u>Payroll Checking</u>	1,249,441			
Total Checking Requiring Collateral	2,011,219			
<u>Federal Depository Insurance</u>	(250,000)			
Total Unsecured Public Funds (Checking)		1,761,219		
HUD Debt Service Reserve Checking	40,036			
Total Checking Requiring Collateral	40,036			
<u>Federal Depository Insurance</u>	(250,000)			
Total Unsecured Public Funds (Checking)		-		
<u>Business Savings and Certificates of Deposit</u>				
Savings	38,796,274			
Total Requiring Collateral	38,796,274			
<u>Federal Depository Insurance</u>	(250,000)			
Total Unsecured Public Funds (Savings)		38,546,274		
Total Unsecured Public Funds		40,307,493		
<u>Collateral held by Wells Fargo Bank, California:</u>				
FNMA, CUSIP 31409CV69			(26,122,815)	05/01/36
FNMA, CUSIP 31416BTB4			(22,572,631)	12/01/35
Total Pledged Collateral			(48,695,446)	
Difference Between Pledged Collateral and Unsecured Funds			(8,387,953)	
102% pledged collateral requirement			41,113,643	
Total Pledged Collateral			(48,695,446)	
<b>Pledged collateral (over) under 102% requirement</b>			<b>(7,581,803)</b>	
<b><u>FIRST COMMUNITY BANK:</u></b>				
Certificate of Deposit	500,000			
<u>Federal Deposit Insurance</u>	(250,000)			
Total Unsecured Public Funds		250,000		
<u>Collateral held at Federal Home Loan Bank of Dallas:</u>				
GNMA, CUSIP 38373AQS8			(270,710)	01/16/37
Total Pledged Collateral			(270,710)	
Difference Between Pledged Collateral and Unsecured Funds			(20,710)	
102% pledged collateral requirement			255,000	
Total Pledged Collateral			(270,710)	
<b>Pledged collateral (over) under 102% requirement</b>			<b>(15,710)</b>	

(continued)

**FIRST NATIONAL BANK OF SANTA FE:**

Checking	3,013,527	
Total Checking Requiring Collateral	3,013,527	
Federal Deposit Insurance	(250,000)	
Total Unsecured Public Funds		2,763,527

Certificate of Deposit	3,000,000	
Certificate of Deposit	3,000,000	
Certificate of Deposit	278,136	
Total Checking Requiring Collateral	6,278,136	
Federal Deposit Insurance	(250,000)	
Total Unsecured Public Funds		6,028,136

**Collateral Issued by Federal Home Loan Bank of Dallas**

Letter of Credit **	(6,000,000)	07/12/10
Letter of Credit **	(4,000,000)	07/12/10
Subtotal Collateral	(10,000,000)	

Total Pledged Collateral	(10,000,000)
Difference between Pledged Collateral and Unsecured Funds	(1,208,337)

100% pledged collateral requirement	8,967,496
Total Pledged Collateral	(10,000,000)
<b>Pledged collateral (over) under 100% requirement</b>	<b>(1,032,504)</b>

**LOS ALAMOS NATIONAL BANK**

Certificate of Deposit	10,000,000	
Certificate of Deposit	250,000	
Savings	2,005,818	
Federal Deposit Insurance	(250,000)	
Total Unsecured Public Funds		12,005,818

**Collateral Issued by Federal Home Loan Bank of Dallas**

Letter of Credit **	(6,130,000)	10/20/10
Letter of Credit **	(6,000,000)	05/12/11
Total Pledged Collateral	(12,130,000)	
Difference between Pledged Collateral and Unsecured Funds	(124,182)	

100% pledged collateral requirement	12,005,818
Total Pledged Collateral	(12,130,000)
<b>Pledged collateral (over) under 100% requirement</b>	<b>(124,182)</b>

**COMMUNITY BANK**

Certificate of Deposit	2,500,000	
Certificate of Deposit	2,500,000	
Certificate of Deposit	250,000	
Total Requiring Collateral	5,250,000	
Federal Deposit Insurance	(250,000)	
Total Unsecured Public Funds		5,000,000

**Collateral Issued By Federal Home Loan Bank Of Dallas**

Letter of Credit **	(2,500,000)	01/14/11
Letter of Credit **	(2,500,000)	07/14/11
Subtotal Collateral	(5,000,000)	

Total Pledged Collateral	(5,000,000)
Difference between Pledged Collateral and Unsecured Funds	0

100% pledged collateral requirement	5,000,000
Total Pledged Collateral	(5,000,000)
<b>Pledged collateral (over) under 100% requirement**</b>	<b>-</b>

(continued)

\*\*The City's 102% requirement is necessary for those types of pledged collateral that change value. Letters of credit do not change value so face value equal to or over the value of the unsecured public funds is sufficient. FHLB LOCs at First National Bank, Los Alamos National Bank and Community Bank are all equal to or greater than 100% of the value of unsecured public funds, so collateralization is sufficient.

COMPONENT UNIT:

**New Mexico Bank and Trust**

Checking and Savings	\$ 543,324		
Federal Depository Insurance	<u>(326,962)</u>		
Total Unsecured Public Funds		216,362	
Collateral			
Eastern NM Univ Rev, CUSIP 276785UD2		<u>(244,277)</u>	4/1/17
Total Pledged Collateral		<u>(244,277)</u>	
Difference between Pledged Collateral and Unsecured Funds		(27,915)	
50% pledged collateral requirement		<u>108,181</u>	
Total Pledged Collateral		<u>(244,277)</u>	
<b>Pledged collateral (over) under 50% requirement</b>		<b><u>(136,096)</u></b>	

**First Community Bank**

Checking and Savings	\$ 2,660,082		
Certificate of Deposit	510,329		
Federal Depository Insurance and Temp. Investment Guarantee Program	<u>(2,831,801)</u>		
Total Unsecured Public Funds		338,610	
Collateral held at FRB Dallas			
GNR 2009-65 CB, CUSIP 38373AHC3		(308,796)	9/16/24
GNR 2009-87 CA, CUSIP 38376KNR8		<u>(300,039)</u>	1/20/33
Total Pledged Collateral		<u>(608,835)</u>	
Difference between Pledged Collateral and Unsecured Funds		(270,225)	
50% pledged collateral requirement		<u>169,305</u>	
Total Pledged Collateral		<u>(608,835)</u>	
<b>Pledged collateral (over) under 50% requirement</b>		<b><u>(439,530)</u></b>	

**Los Alamos National Bank:**

Checking and Savings	\$ 2,638,742		
Certificate of deposit	50,000		
Federal Depository Insurance	<u>(497,059)</u>		
Total Unsecured Public Funds		2,191,683	
Collateral			
FHLB, cusip 31339XLHQ9		<u>(1,078,143)</u>	6/10/11
Total Pledged Collateral		<u>(1,078,143)</u>	
Difference between Pledged Collateral and Unsecured Funds		1,113,540	
50% pledged collateral requirement		<u>1,095,842</u>	
Total Pledged Collateral		<u>(1,078,143)</u>	
<b>Pledged collateral (over) under 50% requirement</b>		<b><u>17,699</u></b>	

**Valley National Bank**

Checking and Savings	981,079		
Federal Depository Insurance	<u>(250,000)</u>		
Total Unsecured Public Funds		731,079	
Collateral			
FNMA Pool #60591 Cusip 31362GKC4		(41,376)	01/01/2018
Ft Bend CO TX Mud #118 Cusip 346816DR9		(247,428)	09/01/2017
FNMA Pool #800447 Cusip 31405VHY6		<u>(571,478)</u>	
Total Pledged Collateral		<u>(860,282)</u>	
Difference between Pledged Collateral and Unsecured Funds		(129,203)	
50% pledged collateral requirement		<u>365,540</u>	
Total Pledged Collateral		<u>(860,282)</u>	
<b>Pledged collateral (over) under 50% requirement</b>		<b><u>(494,743)</u></b>	

**CITY OF SANTA FE, NEW MEXICO**  
**Proprietary Funds and Discretely Presented Component Units**  
**Schedule of Capital Assets and Depreciation**  
**For the Year Ended June 30, 2010**

	ASSETS			ALLOWANCE FOR DEPRECIATION			
	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Current Fiscal Year Deprec.	Accumulated Balance June 30, 2010	Net Asset Value June 30, 2010
<b>Enterprise funds</b>							
<b>Primary government</b>							
Land	\$ 27,095,773	\$ 14,456,000	\$ -	\$ 41,551,773	\$ -	\$ -	\$ 41,551,773
Water Rights	173,160	168,119	-	341,279	-	-	341,279
Buildings and structures	147,174,760	36,656,561	-	183,831,321	4,172,889	29,740,639	154,090,682
Improvements	64,491,560	2,686,673	-	67,178,233	4,805,289	41,288,745	25,889,488
Sewerlines and Utility Systems	92,020,171	10,180,065	(1,415)	102,198,821	3,865,634	51,536,394	50,662,427
Equipment and machinery	19,745,358	490,501	(103,289)	20,132,570	1,411,975	13,547,355	6,585,215
Furniture and fixtures	769,505	8,943	(3,305)	775,143	11,966	733,412	41,731
Vehicles	20,985,506	1,560,178	(871,533)	21,674,151	1,687,388	14,057,767	7,616,384
Intangible plant	57,625	-	-	57,625	-	57,625	-
Data processing and software	2,750,639	667,524	(63,010)	3,375,153	184,768	2,191,647	1,183,506
Art	185,971	-	-	185,971	-	-	185,971
Construction in progress	116,876,241	79,585,279	(28,423,907)	168,037,613	-	-	168,037,613
Total - primary government	492,326,269	146,479,843	(29,466,459)	609,339,653	16,139,909	153,153,584	456,186,069
<b>Component unit</b>							
Housing Authority:							
Land	865,152	277,437	-	1,142,589	-	-	1,142,589
WIP	28,953	4,354,032	(617,373)	3,765,612	-	-	3,765,612
Buildings and improvements	28,740,522	11,829,032	(8,943,627)	31,625,927	1,472,987	19,519,251	12,106,676
Equipment and machinery	236,391	4,318	(41,834)	198,875	9,263	195,421	3,454
Furniture and fixtures	243,761	639,153	-	882,914	41,122	647,706	235,208
Vehicles	240,331	138,759	-	379,090	17,656	236,005	143,085
Total	30,355,110	17,242,731	(9,602,834)	37,995,007	1,541,028	20,598,383	17,396,624
Total component unit	30,355,110	17,242,731	(9,602,834)	37,995,007	1,541,028	20,598,383	17,396,624
<b>Total Enterprise funds</b>	<b>522,681,379</b>	<b>163,722,574</b>	<b>(39,069,293)</b>	<b>647,334,660</b>	<b>17,680,937</b>	<b>173,751,967</b>	<b>473,582,693</b>
<b>Total Proprietary funds:</b>							
<b>Primary government</b>	492,326,269	146,479,843	(29,466,459)	609,339,653	16,139,909	153,153,584	456,186,069
<b>Component unit</b>	30,355,110	17,242,731	(9,602,834)	37,995,007	1,541,028	20,598,383	17,396,624
<b>Total Proprietary funds</b>	<b>\$ 522,681,379</b>	<b>\$ 163,722,574</b>	<b>\$ (39,069,293)</b>	<b>\$ 647,334,660</b>	<b>\$ 17,680,937</b>	<b>\$ 173,751,967</b>	<b>\$ 473,582,693</b>

## **Other Supplementary Financial Data**

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**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Industrial Revenue Bonds Authorized and Outstanding**  
**As of June 30, 2010**  
**(Unaudited)**

<b>Recipient</b>	<b>Year Issue</b>	<b>Year of Retirement</b>	<b>Interest Rate</b>	<b>Amount of Issue</b>	<b>Purpose</b>
Hillhaven Corporation	1983	2013	68% of prime rate of Bank of New York	4,060,000	Construction of Nursing Home
First Interstate Plaza Assoc.	1983	2013	10.25%	4,000,000	Commercial Office
St. John's College	1998	2024	4.50%-5.50%	6,900,000	Refund outstanding balance on the 1992 debt issue and construction of campus facilities
Ridgetop Road LLC	2007	2037	15.00%	45,000,000	Commercial office

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Bonds and Loans Payable**  
**Classified by Fund and Purpose**  
**June 30, 2010 (UNAUDITED)**

Fund and Purpose	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Outstanding June 30, 2010 Series Issue	Total
<b>Revenue bonds payable solely from state-shared taxes:</b>						
Gross receipts tax - Series 2002	3.00% - 5.25%	02/01/02	17,995,000	June 1, 2015	15,200,000	
Series 2004A	2.00% - 4.00%	01/14/04	18,660,000	June 1, 2018	14,415,000	
Series 2006	4.00% - 5.00%	02/14/06	17,710,000	June 1, 2023	15,035,000	
Series 2008	3.25% - 5.50%	04/07/08	20,135,000	June 1, 2022	20,115,000	
Series 2008B	4.00% - 5.00%	12/08/08	22,760,000	June 1, 2012	13,895,000	
Total bonds payable solely from state-shared taxes					<u>78,660,000</u>	
<b>General obligation bonds payable solely from property tax:</b>						
Property tax - Series 2008	3.75% - 5.00%	06/10/2008	20,000,000	June 1, 2028	19,400,000	
Total bonds payable solely from property tax					<u>19,400,000</u>	
Total bonds payable from tax revenue (governmental)						\$ 98,060,000
<b>Revenue bonds payable from Enterprise funds (primary government)</b>						
Convention Center - NMFA Series 2006	3.75% - 4.75%	03/28/06	42,220,000	June 15, 2035	40,310,000	
Series 2008 GRT/CCTR Share	3.250% - 5.50%	04/07/08	8,570,000	June 1, 2022	8,290,000	
Total bonds payable from Convention Center fund					<u>48,600,000</u>	
Solid Waste - Series 2006B	4.25% - 5.00%	07/31/06	15,160,000	June 1, 2023	12,455,000	
Total bonds payable from Solid Waste fund					<u>12,455,000</u>	
Municipal Recreation Complex - Series 2005	4.00% - 4.25%	08/30/05	15,315,000	June 1, 2024	11,645,000	
Total bonds payable from Municipal Recreation Complex fund					<u>11,645,000</u>	
Water Revenue Bonds - Series 2006D	4.25% - 5.00%	08/09/06	49,790,000	June 1, 2025	45,490,000	
Series 2009A	2.00% - 5.00%	12/15/09	18,080,000	June 1, 2027	17,930,000	
Series 2009B BABs	6.00% - 6.20%	12/15/09	41,890,000	June 1, 2039	41,890,000	
Total bonds payable from Water fund					<u>105,310,000</u>	
Wastewater Bonds - Series 1997B	4.00% - 6.00%	12/11/97	20,800,000	June 1, 2022	16,700,000	
Series 2006C	4.125% - 5.00%	09/29/06	9,780,000	June 1, 2021	7,835,000	
Total bonds payable from Wastewater fund					<u>24,535,000</u>	
Total revenue bonds payable from Enterprise funds (business-type)						<u>202,545,000</u>
<b>TOTAL LONG-TERM BOND INDEBTEDNESS</b>						<u><u>\$ 300,605,000</u></u>

**LOANS PAYABLE****Loans payable from 1/2% Municipal GRT**

NMFA SANTAFE#18 - Land Acquisition	1.95% - 4.79%	08/01/08	3,610,000	06/01/28	3,385,298
Santa Fe Public Schools - Land purchase	1.78%	01/05/2010	840,000	06/01/2012	560,000

Total loans payable from 1/2% Municipal GRT 3,945,298

**Loans payable from Municipal GRT - Railyard**

NMFA SANTAFE#7 - Railyard Infrastructure	.83% - 4.25%	09/24/2004	5,107,652	05/01/2024	4,493,002
NMFA SANTAFE#8 - Railyard Infra.	1.15% - 5.19%	09/24/2004	579,025	05/01/2024	515,600
NMFA SANTAFE#15A - Railyard Infra.	3.42% - 4.20%	10/20/2009	7,642,231	06/01/2026	7,321,292
NMFA SANTAFE#15B - Railyard Infra.	5.19% - 5.87%	10/20/2009	892,227	06/01/26	860,083
NMFA SANTAFE#13 - Parking Garage	3.02% - 4.24%	03/28/2006	14,986,587	06/01/36	14,986,587

Total loans payable from 1/2% Municipal GRT 28,176,564

Total loans payable from tax revenue 32,121,862

**Loans payable from Water Enterprise Fund**

NMFA SANTAFE#16 - Buckman (City share)	0.25%	11/02/2007	100,000	06/01/27	74,903
NMFA SANTAFE#19 - Buckman (City share)	0.25%	03/27/2009	400,000	06/01/39	372,254
NMFA SANTAFE#23 - Conservation	0.75%	06/04/2010	127,500	06/01/40	127,500
NMFA SANTAFE#DW-2 - Buckman	1.75%	05/16/2008	15,150,000	06/01/29	14,526,787
NMFA SANTAFE#WPF3 - Canyon Road	0.25%	06/12/2009	400,000	06/01/39	380,472
NMFA SANTAFE#WPF4 - Canyon Road	0.25%	05/07/2010	800,000	06/01/30	800,000

Total loans payable from Water Fund 16,281,916

Total loans payable from Enterprise Funds 16,281,916

**Loans payable from State Fire Grant**

NMFA SANTAFE#10 - Fire Equipment	.62% - 2.84%	01/14/2005	1,166,667	05/01/13	462,619
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Total loans payable from State Fire Grant 462,619

**Loans payable from third parties**

Laureate Education, Inc. facility lease:					
NMFA SANTAFE#20 - College of Santa F	1.81% - 6.07%	09/14/2009	29,615,000	06/01/36	29,615,000
Santa Fe Business Incubator, Inc. loan payment:					
HUD Section 108 Loan	3.0%	06/30/2004	300,000	08/01/24	261,000

Total loans payable from third parties 29,876,000

Total loans payable from Special Sources 30,338,619

**TOTAL LONG-TERM LOAN INDEBTEDNESS** 78,742,397

**TOTAL OUTSTANDING INDEBTEDNESS** 379,347,397

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Mortgage Revenue Bonds Authorized**  
**As of June 30, 2010**  
**(Unaudited)**

Recipient	Year Issue	Year of Retirement	Interest Rate	Amount of Issue	Purpose
Single Family Mortgage Revenue Bonds - FNMA And GNMA Mortgage - Backed Securities Program—Series 1995A	1995	2028	4.55%-6.30%	\$10,500,000	Finance a Single Family Mortgage Loan Program
Single Family Mortgage Revenue Bonds – FNMA And GNMA Mortgage - Backed Securities Program—Series 1995B	1995B1	2028	4.65%-6.25	10,000,000	Finance a Single Family Mortgage Loan Program
	1995B2	2028	5.66%-5.80	10,000,000	

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF JOINT POWERS AGREEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2010**

<b>PARTICIPANTS</b>	<b>RESPONSIBLE PARTY</b>	<b>DESCRIPTION</b>	<b>DATES OF AGREEMENT</b>	<b>TOTAL AMOUNT/ CITY SHARE</b>	<b>FY10 AMOUNT</b>	<b>AUDIT RESPONSIBILITY</b>
City of Santa Fe Lensic Project Update	Both	Lensic Credit	07/29/2009 12/31/2009	\$150,000	\$150,000	Both
City of Santa Fe Santa Fe County	Both	Municipal Parking Facilities for County Employess	07/29/2009 12/31/2011	\$345,360	\$125,160	Both
City of Santa Fe Santa Fe County	Both	Paratransit Services for Santa Fe County Residents	08/12/2009 06/30/2011	\$288,033	\$96,011	Both
City of Santa Fe El Museo Cultural De Santa Fe	Both	Sweeney Center Equipment and Furniture	08/17/2009 Per Agreement	\$1	\$1	Both
City of Santa Fe Mid Region Council of Governments	Both	Rail Runner Project	08/26/2009 06/30/2010	\$561,670	Per Agreement	Both
City of Santa Fe Santa Fe Community College	Both	Commitment to Collaboration	07/29/2009 Per Agreement	Per Agreement	Per Agreement	Both
City of Santa Fe Office of the Governor	Both	Commitment to Continued Operation of the College of Santa Fe	07/29/2009 Per Agreement	Per Agreement	Per Agreement	Both
City of Santa Fe Santa Fe County	Both	Accept all Referrals for Teen Court from the Santa Fe Municipal Court	09/16/2009	\$20,000	\$20,000	Both
City of Santa Fe Bureau of Land Management Rio Puerco Field Office	Both	Authorization for Relocation of Gunnison's Prairie Dogs	09/23/2009	Per Agreement	Per Agreement	City of Santa Fe
City of Santa Fe NM Moritor Vehicle Division	Both	Driver Privacy Protection Act	09/23/2009	N/A	Per Agreement	City of Santa Fe

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF JOINT POWERS AGREEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2010**

<b>PARTICIPANTS</b>	<b>RESPONSIBLE PARTY</b>	<b>DESCRIPTION</b>	<b>DATES OF AGREEMENT</b>	<b>TOTAL AMOUNT/ CITY SHARE</b>	<b>FY10 AMOUNT</b>	<b>AUDIT RESPONSIBILITY</b>
City of Santa Fe Santa Fe County	Both	Annexation Phase I Roadway Improvements	10/14/2009 12/31/2010	N/A	Per Agreement	Both
City of Santa Fe Santa Fe County	Both	Agreement to Share Financial Operational Costs of a County Sobering Center	10/19/2009	\$40,000	Per Agreement	Both
City of Santa Fe Santa Fe County	Both	County Crisis Intervention Training Provided to City Police Officers	10/19/2009 12/31/2009	\$7,500	\$7,500	Both
City of Santa Fe Santa Fe Public Schools	Both	Classroom Teachers to Receive the ArtWorks Program	11/16/2009 06/30/2010	\$10,000	\$10,000	City of Santa Fe
City of Santa Fe NM Interactive & NM Motor Vehicle Division	Both	Facilitate the Disclosure of "Personal Information"	12/04/2009	N/A	N/A	City of Santa Fe
City of Santa Fe Santa Fe County	Both	Services for Seniors Contract ReEntered 2/10/10	12/09/2009	Per Agreement	Per Agreement	Both
City of Santa Fe Pueblo of San Ildefonso	Both	Agreement Amended to Included End Date	12/15/2009 12/01/2011	N/A	N/A	City of Santa Fe
City of Santa Fe County of Santa Fe	Both	Amendment to Crisis Intervention Compensation and Training	12/18/2009 06/30/2010	N/A	N/A	Both

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF JOINT POWERS AGREEMENTS**  
**FISCAL YEAR ENDED**  
**June 30, 2010**

<b>PARTICIPANTS</b>	<b>RESPONSIBLE PARTY</b>	<b>DESCRIPTION</b>	<b>DATES OF AGREEMENT</b>	<b>TOTAL AMOUNT/ CITY SHARE</b>	<b>FY10 AMOUNT</b>	<b>AUDIT RESPONSIBILITY</b>
City of Santa Fe Ridgetop Road LLC	Both	Ridgetop Road Snow and Ice Removal to Perform Snow Removal	12/31/2009	N/A	N/A	Both
City of Santa Fe State of New Mexico Legislative Council Service	Both	Initiate the Crossing Guard Pilot Program 30 Day Session \$2000 & 60 Day \$6000	01/14/2010 06/30/2010	\$2,000 \$6,000	\$8,000	Both
City of Santa Fe Santa Fe County	Both	Amendment to Provision for Services to Seniors	02/10/2010	\$560,000	\$560,000	Both
City of Santa Fe Santa Fe Public Schools	Both	School Crossing Guard Program	03/10/2010 06/30/2011	\$175,000	\$87,500	Both
City of Santa Fe Partners in Education Foundation for SF Public Schools	Both	Artworks Program in Santa Fe Public Elementary Schools	03/31/2010 06/30/2013	\$45,000	\$15,000	City of Santa fe
City of Santa Fe Santa Fe County	Both	Operational need of the DOC to be paid for by the City to the County	05/12/2010 06/30/2010	\$48,348	\$48,378	Both
City of Santa Fe Santa Fe County	Both	Wastewater Collection System	05/12/2010 Per Agreement	N/A	N/A	Both
City of Santa Fe US Department of Energy	Both	Coordination & Monitoring of Activities by Los Alamos National Laboratory	05/17/2010 05/17/2015	N/A	N/A	Both
City of Santa Fe NIM Department of Transportation	Both	Promote Ridesharing Programs & Transportation Demand Management Programs	05/26/2010 Per Agreement	\$67,653	\$67,653	Both

\*JPA between City and County for Buckmanis found at 72 of the footnotes

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF OTHER FINANCIAL ASSISTANCE**  
**FISCAL YEAR ENDED**  
**June 30, 2010**  
**(UNAUDITED)**

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2009	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2010
<b>N.M. HIGHWAY AND TRANSPORTATION DEPARTMENT</b>					
Operation Buckle Down FY06-07	\$ 16,509	\$ 4,725	\$ 4,725	\$ -	\$ -
Operation DWI FY06-07	36,593	6,379	6,379	-	-
Selective Traffic Enforcement Program (STEP)	18,382	4,115	4,115	-	-
Click It or Ticket	6,000	4,350	4,350	-	-
Operation DWI FY08-09	-	3,405	-	-	3,405
Selective Traffic Enforcement Program (STEP)	-	4,688	-	-	4,688
Operation Buckle Down Fy09-10	7,735	-	1,275	3,825	2,550
Operation DWI FY09-10	43,680	-	19,683	29,569	9,886
Selective Traffic Enforcement Program (STEP)	7,969	-	-	4,014	4,014
Click It or Ticket FY09-10	5,015	-	-	5,015	5,015
Teen Seat Belt Demonstration FY09-10	4,590	-	-	4,420	4,420
100 Days and Nights FY09-10	8,415	-	-	2,044	2,044
Traffic Safety Bureau Projects	59,085	-	59,085	59,085	-
Airport Road Improvements	100,000	56,007	100,000	43,993	-
Small Sidewalks	50,000	-	50,000	50,000	-
Small Drainage	264,814	30,000	32,777	23,758	20,981
Barrio de la Canada Entrance Way	80,000	-	-	3,713	3,713
Intersection Safety	25,000	-	21,902	21,902	-
Arrouo Chimiso Tail	80,000	-	80,000	80,000	-
Paved Street Resurfacing	98,287	-	64,670	98,287	33,617
El Camino Real Scenic Byways	151,352	325	2,849	2,524	-
Siler Road Extension	3,656,300	934,415	3,649,237	2,721,886	7,064
Old Pecos Trail Design	160,000	-	160,000	160,000	-
Trails	30,000	-	30,000	30,000	-
Airport Improvements	6,000	1,024	1,024	-	-
Airport Improvements	195,668	322	322	-	-
Airport Improvements	19,200	240	-	-	240
Airport Improvements	75,000	-	49,032	49,032	-
Airport Improvements	62,500	24,268	51,821	31,786	4,233
Airport Improvements	1,875	-	1,875	1,875	-
Airport Improvements	12,500	-	10,628	10,932	304
Airport Improvements	200,000	-	140,718	140,718	-
Airport Improvements	1,200,000	-	1,200,000	1,200,000	-
Airport Improvements	72,500	-	24,571	39,818	15,247
Airport Improvements	101,600	-	50,599	50,599	-
<b>TOTAL Highway and Transportation Department</b>	<b>\$ 6,856,569</b>	<b>\$ 1,074,263</b>	<b>\$ 5,821,637</b>	<b>\$ 4,868,795</b>	<b>\$ 121,421</b>
<b>N.M. DEPARTMENT OF TOURISM</b>					
Marketing Grant Program	\$ 16,515	\$ -	\$ 9,000	\$ 16,514	\$ 7,514
Beautification and Litter Control Program	74,400	11,368	11,368	-	-
Beautification and Litter Control Program	35,000	-	20,520	34,173	13,653
<b>TOTAL N.M. Department of Tourism</b>	<b>\$ 125,915</b>	<b>\$ 11,368</b>	<b>\$ 40,888</b>	<b>\$ 50,687</b>	<b>\$ 21,167</b>
<b>N.M. PUBLIC REGULATION COMMISSION</b>					
Fire Protection	\$ 471,847	\$ -	\$ 398,504	\$ 398,504	\$ -
<b>TOTAL Public Regulation Commission</b>	<b>\$ 471,847</b>	<b>\$ -</b>	<b>\$ 398,504</b>	<b>\$ 398,504</b>	<b>\$ -</b>

(continued)

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF OTHER FINANCIAL ASSISTANCE**  
**FISCAL YEAR ENDED**  
**June 30, 2010**  
**(UNAUDITED)**

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2009	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2010
<b>N.M. OFFICE OF CULTURAL AFFAIRS</b>					
400th Anniversary	\$ 350,000	\$ -	\$ 350,000	\$ 350,000	\$ -
<b>TOTAL NM Office of Cultural Affairs</b>	<b>\$ 350,000</b>	<b>\$ -</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ -</b>
<b>N.M. HEALTH AND ENVIRONMENT DEPARTMENT</b>					
Emergency Medical Service	\$ 29,000	\$ -	\$ 29,000	\$ 29,000	\$ -
Sewer Line 2400 Block Aqua Fria	320,523	-	11,111	115,749	104,638
Water Project Grant/Loan	1,000,000	-	1,000,000	1,000,000	-
Effluent Line-Tierra Contenta	25,000	10,452	-	-	10,452
<b>TOTAL Health and Environment Department</b>	<b>\$ 1,374,523</b>	<b>\$ 10,452</b>	<b>\$ 1,040,111</b>	<b>\$ 1,144,749</b>	<b>\$ 115,090</b>
<b>N.M. ECONOMIC DEVELOPMENT DEPARTMENT</b>					
Design Week	\$ 14,000	\$ 8,000	\$ -	\$ -	\$ 8,000
Cooperative Grant for Advertising	9,900	-	17,635	17,635	-
<b>TOTAL Economic Development Department</b>	<b>\$ 23,900</b>	<b>\$ 8,000</b>	<b>\$ 17,635</b>	<b>\$ 17,635</b>	<b>\$ 8,000</b>
<b>N.M. ENERGY, MINERALS, NATURAL RESOURCES</b>					
Fire Hazard Reduction Grants	\$ 149,438	\$ -	\$ -	\$ 63,383	\$ 63,383
Santa Fe River Trail	815,000	224,070	416,827	192,757	-
Transit Bus	80,000	80,000	80,000	-	-
Methane Gas	100,000	-	65,000	65,000	-
<b>TOTAL Energy, Minerals, Natural Resources</b>	<b>\$ 1,144,438</b>	<b>\$ 304,070</b>	<b>\$ 561,827</b>	<b>\$ 321,140</b>	<b>\$ 63,383</b>
<b>STATE AGENCY ON AGING</b>					
Senior Companion Program	\$ 129,369	\$ 24,094	\$ 109,518	\$ 129,369	\$ 43,945
Senior Employment Program	35,384	4,944	33,411	35,322	6,855
Foster Grandparent Program	112,921	9,783	96,224	112,921	26,480
Retired Senior Volunteer Program	37,955	12,529	26,092	35,393	21,830
HB-2- Nutrition	370,243	38,544	303,344	370,243	105,443
HB-2- In Home Support	106,803	10,874	80,189	106,803	37,488
HB-2- Assisted Transportation	95,246	9,620	78,233	95,246	26,633
State Area On Aging Capital improvements	172,570	-	30,103	66,591	36,488
<b>TOTAL State Agency on Aging</b>	<b>\$ 1,060,491</b>	<b>\$ 110,388</b>	<b>\$ 757,114</b>	<b>\$ 951,888</b>	<b>\$ 305,162</b>
<b>COUNTY OF SANTA FE</b>					
Senior Program-County Grant	\$ 560,000	\$ 389,694	\$ 685,006	\$ 560,000	\$ 264,688
Southside Library	15,000	-	-	15,000	15,000
Siler Road Extension	250,000	-	250,000	250,000	-
Santa Fe Paratransit	288,033	-	-	96,011	96,011
Santa Fe Rail/River Trail	285,000	35,699	35,699	-	-
<b>TOTAL County of Santa Fe</b>	<b>\$ 1,398,033</b>	<b>\$ 425,393</b>	<b>\$ 970,705</b>	<b>\$ 921,011</b>	<b>\$ 375,699</b>

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF OTHER FINANCIAL ASSISTANCE**  
**FISCAL YEAR ENDED**  
**June 30, 2010**  
**(UNAUDITED)**

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2009	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2010
<b>SANTA FE PUBLIC SCHOOLS</b>					
Crossing Guards Grant	\$ 175,000	\$ 23,473	\$ 48,638	\$ 120,671	\$ 95,506
<b>TOTAL Santa Fe Public Schools</b>	<b>\$ 175,000</b>	<b>\$ 23,473</b>	<b>\$ 48,638</b>	<b>\$ 120,671</b>	<b>\$ 95,506</b>

**N.M. DEPARTMENT OF FINANCE AND ADMINISTRATION**

Planning for Transit Oriented Development	\$ 200,000	\$ 6,187	\$ 6,187	\$ -	\$ -
Monica Roybal Center	50,000	4,264	4,264	-	-
Parque del Rio Renovation	8,000	8,000	8,000	-	-
Villa Real de la Santa Fe de St. Francisco de Assisi	40,000	7,065	7,065	-	-
400th Anniversary	122,215	-	113,349	122,215	8,866
Santa Fe Business Incubator	2,387	-	2,387	2,387	-
Municipal Court Automation	32,871	8,823	8,823	-	-
Hazardous Equipment & Training	14,000	-	14,000	14,000	-
Law Enforcement Protection	117,600	-	117,600	117,600	-
Santa Fe Boys and Girls Club	20,000	20,000	20,000	-	-
National Dance Institute	148,500	1,418	1,418	-	-
National Dance Institute	297,000	290,945	297,000	6,055	-
National Dance Institute	282,150	-	282,150	282,150	-
Rape Crisis Center	371,250	25,453	70,956	45,503	-
Santa Fe Civic Housing Authority	50,000	-	50,000	50,000	-
Santa Fe Civic Housing Authority	235,000	-	235,000	235,000	-
Santa Fe Civic Housing Authority	50,000	-	50,000	50,000	-
Site Santa Fe	247,500	2,159	32,500	30,341	-
Library General Obligation Bonds	168,792	85,476	151,244	65,768	-
New Mexico State Library	41,925	21,925	35,289	13,364	-
Santa Fe Police Department	247,500	-	-	247,500	247,500
Barrio Canada	25,000	1,209	14,314	13,105	-
Botanical Gardens	135,000	5,858	5,858	-	-
Botanical Gardens	50,000	18,244	18,244	31,756	31,756
Botanical Gardens	95,000	-	-	79,941	79,941
La Familia	346,500	344,852	346,500	1,648	-
La Familia	198,500	-	90,754	90,754	-
Ragle Park Exp	50,000	42,076	42,076	-	-
Ragle Park Exp	50,000	25,638	25,638	-	-
Ragle Park Exp	24,362	-	-	-	-
Ragle Park Exp	50,000	-	-	-	-
Santa Fe Boys & Girls Club	65,000	45,217	46,981	1,764	-
Santa Fe Boys & Girls Club	75,000	184	184	-	-
Santa Fe Boys & Girls Club	25,000	-	24,183	24,183	-
Santa Fe Boys & Girls Club	10,000	-	10,000	10,000	-
Franklin Miles Park Improvements	25,000	16,933	16,933	-	-
El Museo Cultural	198,000	5,683	5,683	-	-
El Museo Cultural	222,750	296	18,786	18,490	-
Ortiz Park	20,000	15,493	15,493	-	-
Santa Fe River and Rail Trails	200,000	-	-	200,000	200,000
Santa Fe River and Rail Trails	500,000	-	-	410,840	410,840
Santa Fe Youth Consortium	486,400	178,700	178,700	-	-
Bikeways/Horse Trails, Grant	3,000,000	1,570,592	-	1,119,244	2,689,836
Santa Fe Convention Center	100,000	44,468	100,000	55,531	-

(continued)

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF OTHER FINANCIAL ASSISTANCE**  
**FISCAL YEAR ENDED**  
**June 30, 2010**  
**(UNAUDITED)**

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2009	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2010
MRC Rugby Fields	85,000	-	75,000	75,000	-
MRC Rugby Fields	100,000	14,873	100,000	85,127	-
MRC Rugby Fields	230,000	75,000	230,000	155,000	-
MRC Rugby Fields	46,567	-	39,453	39,453	-
MRC Rugby Fields	50,000	-	50,000	50,000	-
MRC Rugby Fields	50,000	-	50,000	50,000	-
MRC Rugby Fields	5,000	-	5,000	5,000	-
MRC Rugby Fields	5,000	-	5,000	5,000	-
Genoveva Chavez Center	30,000	12,405	29,434	17,029	-
Genoveva Chavez Center	295,000	274,143	274,143	-	-
Santa Fe Railyard-Park and Plaza	2,225,000	10,000	-	-	10,000
Railyard Property -Teen Art Center - Warehouse 21	95,000	95,000	95,000	-	-
Railyard-Youth Center - Warehouse 21	75,000	75,000	75,000	-	-
Railyard Teen Art Center - Warehouse 21	108,900	7,404	12,057	4,653	-
<b>TOTAL Dept. of Finance and Administration</b>	<b>\$ 12,129,959</b>	<b>\$ 3,361,468</b>	<b>\$ 3,508,131</b>	<b>\$ 3,856,691</b>	<b>\$ 3,710,029</b>
<b>NM FINANCE AUTHORITY</b>					
NMFA 2382 ADW	\$ 424,200	\$ -	\$ 297,500	\$ 476,709	\$ 179,209
Water Project Grant/Loan (thru NMFA)	700,000	-	900,000	1,600,000	700,000
NMFA 170-WTB	4,000,000	-	3,932,580	3,932,580	-
NMFA 2378-DW	141,400	-	-	141,400	141,400
NMFA 2389-ADW	425,000	-	25,000	425,000	400,000
NMFA 2431-DW	161,807	-	-	161,807	161,807
<b>TOTAL NM Mortgage Finance Authority</b>	<b>\$ 5,428,207</b>	<b>\$ -</b>	<b>\$ 4,857,580</b>	<b>\$ 6,260,787</b>	<b>\$ 1,403,207</b>
<b>NM ARTS COMMISSION</b>					
NM Arts Grant	\$ 12,600	\$ -	\$ 12,527	\$ 12,527	\$ -
<b>TOTAL NM Arts Commission</b>	<b>\$ 12,600</b>	<b>\$ -</b>	<b>\$ 12,527</b>	<b>\$ 12,527</b>	<b>\$ -</b>
<b>OTHER</b>					
McCune Charitable Foundation	\$ 5,000	\$ -	\$ 5,000	\$ 5,000	\$ -
Millstream Fund	1,500	-	1,500	1,500	-
Witter Bynner Foudation for Poetry	5,000	-	5,000	5,000	-
Black Foundation	5,000	-	5,000	5,000	-
Santa Fe Public Schools Fund	15,000	-	15,000	15,000	-
Dickenson Fund	1,020	-	1,020	1,020	-
Bettina Baruch Foundation	2,350	-	2,350	2,350	-
<b>TOTAL Other</b>	<b>\$ 34,870</b>	<b>\$ -</b>	<b>\$ 34,870</b>	<b>\$ 34,870</b>	<b>\$ -</b>
<b>GRAND TOTAL</b>	<b>\$ 30,236,352</b>	<b>\$ 5,328,875</b>	<b>\$18,070,166</b>	<b>\$ 18,959,955</b>	<b>\$ 6,218,664</b>

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## **Single Audit Section**

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**CITY OF SANTA FE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FISCAL YEAR ENDED  
June 30, 2010**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2009	C/Y Cash Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2010
<b>Primary Government</b>							
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>							
Department of Housing and Urban Development Direct Programs:							
CDBG-Entitlement and (HUD-Administered) Small Cities Cluster:							
Community Develop Block Grant	14.218	B09MC350003	\$ 582,208	\$ -	\$ 283,308	\$ 515,984	\$ 232,676
Community Develop Block Grant	14.218	B00MC350003	574,237	245,034	378,080	133,046	-
<b>Total CDBG-Entitlement and (HUD-Administered) Small Cities Cluster</b>			<b>1,156,445</b>	<b>245,034</b>	<b>661,388</b>	<b>649,030</b>	<b>232,676</b>
Shelter Plus Care Grants:							
Shelter Plus	14.238	NM02C5-01-008	524,460	12,238	128,903	126,884	10,219
Shelter Plus	14.238	NM02C7-01-001	306,660	5,854	56,485	50,631	-
Shelter Plus	14.238	NM02C7-01-013	122,052	8,840	8,840	-	-
Shelter Plus	14.238	NM02C7-01-014	203,928	15,598	15,598	-	-
Shelter Plus	14.238	NM0026C6B010801	214,056	-	174,212	210,268	36,056
Shelter Plus	14.238	NM0034C6B010801	214,848	-	181,097	212,412	31,315
Shelter Plus	14.238	NM0029C6B010801	128,124	-	111,546	123,375	11,829
<b>Total Shelter Plus Care Grants</b>			<b>1,714,128</b>	<b>42,530</b>	<b>676,681</b>	<b>723,570</b>	<b>89,419</b>
<b>Department of Housing and Urban Development</b>							
			<b>\$ 2,870,573</b>	<b>\$ 287,564</b>	<b>\$ 1,338,069</b>	<b>\$ 1,372,600</b>	<b>\$ 322,095</b>
<b>US DEPARTMENT OF JUSTICE</b>							
Passed-through NM Children Youth and Families:							
Juvenile Justice - Education	16.523	046903000-3061	\$ 90,000	\$ 220	\$ 220	\$ -	\$ -
Juvenile Justice - Continuum 04/05	16.523	05-690-7000-7062	150,000	1,684	1,684	-	-
Juvenile Justice - Continuum 08/09	16.523	09-690-8997	200,000	26,719	139,373	112,654	-
Juvenile Justice - Continuum 09/10	16.523	10-690-10491	195,598	-	10,306	195,598	185,292
Juvenile Justice - Continuum 09/10	16.523	10-690-10770	35,500	-	35,500	35,500	-
<b>Total passed-through NM Children Youth and Families</b>			<b>671,098</b>	<b>28,623</b>	<b>187,083</b>	<b>343,752</b>	<b>185,292</b>
Passed-through NM Crime Victims Reparation Commission							
Recovery act STOP Violence Against Women Gran	16.806	2008-WF-AX-0018	31,322	-	4,287	15,527	11,240
<b>Total passed-through NM Crime Victims Reparation Commission</b>			<b>31,322</b>	<b>-</b>	<b>4,287</b>	<b>15,527</b>	<b>11,240</b>
Passed-through Santa Fe County							
FY 09 Local Solicitation-Edward Byrne Grant	16.580	2009-DJ-BX-0726	48,153	-	48,153	48,153	-
Edward Byrne Memorial	16.580	2009-SB-B9-2733	202,674	-	37,242	37,242	-
<b>Total passed-through Santa Fe County</b>			<b>250,827</b>	<b>-</b>	<b>85,395</b>	<b>85,395</b>	<b>-</b>
Juvenile Justice JABG							
	16.540	05-690-7000-7093	12,600	5,400	5,400	-	-
			12,600	5,400	5,400	-	-
Domestic Violence and Sexual Assault Probation Officers							
Cops Hiring Recovery Program	16.710	2009-KRWX0642	1,479,328	-	11,240	11,240	-
Targeting Violent Crime	16.580	08-DJ-BX-0696	330,000	-	164,605	164,605	-
2007 Justice Assitance Grant -Edward Byrne Grant	16.580	08-HE-64-P13D	48,169	-	-	48,169	48,169
			2,057,497	-	175,845	314,108	138,263
<b>US Department of Justice</b>			<b>\$ 3,023,344</b>	<b>\$ 34,023</b>	<b>\$ 458,010</b>	<b>\$ 758,782</b>	<b>\$ 334,795</b>
<b>DEPARTMENT OF TRANSPORTATION</b>							
Federal Aviation Administration Direct Program:							
Airport Improvement Grant #28	20.106	AIP 3-35-0037-28-20	\$ 1,736,142	\$ 128,603	\$ 56,325	\$ 62,354	\$ 134,632
Airport Improvement Grant #29	20.106	AIP 3-35-0037-29-20	2,367,506	922,170	1,952,695	1,281,642	251,117
Airport Improvement Grant #31	20.106	AIP 3-35-0037-31-20	498,857	-	317,051	412,922	95,871
Airport Improvement Grant #32	20.106	AIP 3-35-0037-32-20	1,000,000	-	933,713	1,000,000	66,287
Airport Improvement Grant #33	20.106	AIP 3-35-0037-33-20	776,000	-	-	581,826	581,826
<b>Total Federal Aviation Administration Direct Program:</b>			<b>6,378,505</b>	<b>1,050,773</b>	<b>3,259,784</b>	<b>3,338,744</b>	<b>1,129,733</b>
Department of Transportation Direct Program:							
Section 5309	20.500	NM03X042	196,736	13,989	13,989	-	-
Section 5309	20.500	NM03X035	2,999,029	656,583	656,583	-	-
Section 5309	20.500	NM58X002	500,000	206,839	452,986	246,147	-
Section 5309	20.500	NM03X056	490,050	-	378,210	378,210	-
Section 5309	20.500	NM04X006	294,000	-	-	29,875	29,875
			4,479,815	877,411	1,501,768	654,232	29,875
Section 5307							
Operating	20.507	NM90X072	850,658	-	-	5,487	5,487
Operating	20.507	NM90X075	1,115,859	-	-	37,434	37,434
Operating	20.507	NM90X081	1,136,342	-	-	11,363	11,363
Operating	20.507	NM90X087	1,222,151	-	-	12,222	12,222
Operating	20.507	NM90X090	1,173,605	-	1,161,869	1,173,605	11,736
			5,498,615	-	1,161,869	1,240,111	78,242
Section 5316 (JARC)							
Section 5316 (JARC)	20.516	NM37X009	630,000	79,578	79,578	-	-
Section 5316 (JARC)	20.516	NM37X012	396,473	262,512	262,512	-	-
Section 5316 (JARC)	20.516	NM37X014	146,232	-	-	146,232	146,232
Section 5316 (JARC)	20.516	NM90X086	142,592	-	-	106,546	106,546
			1,315,297	342,090	342,090	252,778	252,778
<b>Total Department of Transportation Direct Program:</b>			<b>\$ 17,672,232</b>	<b>\$ 2,270,274</b>	<b>\$ 6,265,511</b>	<b>\$ 5,485,885</b>	<b>\$ 1,490,628</b>

**CITY OF SANTA FE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FISCAL YEAR ENDED**  
**June 30, 2010**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2009	C/Y Cash Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2010
Passed-through N.M. Highway and Transportation Department:							
Highway and Planning Cluster:							
Section 112	20.205	FTA-PL-92A-3(69)	\$ 106,433	\$ 22,330	\$ 22,330	\$ 23,534	\$ 23,534
Section 112	20.205	FTA-PL-92A-3(72)	20,000	4,952	9,926	5,871	897
Section 112 Unobligated Funds Distribution	20.205	FTA-PL-92A-3(97)	123,756	-	26,302	123,756	97,454
Santa Fe Railyard Park and Plaza	20.205	STP-HPP -7649(8)	2,378,239	362,926	408,427	45,501	-
Total Highway and Planning Cluster:			2,628,428	390,208	466,985	198,662	121,885
Section 5303 08/09	20.505	MOA # M00461	30,696	11,001	19,404	18,866	10,463
Section 5303 09/10	20.505	MOA # M00461	34,889	-	-	11,548	11,548
			65,585	11,001	19,404	30,414	22,011
Federal Transit Cluster:							
Ridefinders 08/09	20.507	TPO-7749(9)	67,653	28,807	28,807	-	-
Ridefinders 09/10	20.507	TPO-7749(9)	67,653	-	-	51,890	51,890
Total Federal Transit Cluster:			135,306	28,807	28,807	51,890	51,890
Total Department of Transportation passed-through							
			\$ 2,829,319	\$ 430,016	\$ 515,196	\$ 280,966	\$ 195,786
<b>Department of Transportation</b>							
			\$ 20,501,551	\$ 2,700,290	\$ 6,780,707	\$ 5,766,831	\$ 1,686,414
<b>NATIONAL ENDOWMENT FOR THE ARTS</b>							
Artworks	45.024	08-5100-8089	\$ 55,000	\$ 16,661	\$ 16,661	\$ -	\$ -
Artworks	45.024	09-5100-8105	50,000	-	28,043	50,000	21,957
<b>National Endowment for the Arts</b>							
			\$ 105,000	\$ 16,661	\$ 44,704	\$ 50,000	\$ 21,957
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
Passed-through NM State Agency on Aging/NCNMEDD:							
Aging Cluster:							
Title III-B	93.044	2009-10-60026	\$ 107,669	\$ -	\$ 87,226	\$ 107,669	\$ 20,443
Title III-C-1	93.045	2009-10-60026	118,494	1,631	68,650	118,494	51,475
Title III-C-2	93.045	2009-10-60026	51,304	-	51,304	51,304	-
NSIP	93.053	2009-10-60026	153,929	14,481	87,828	153,929	80,582
Title III-E	93.052	2009-10-60026	76,340	23,330	59,535	76,340	40,135
Total Aging Cluster:			507,736	39,442	354,543	507,736	192,635
Passed-through Mid Region Council of Governments:							
Temporary Assistance to Needy Families	93.558	TANF 2008-09	50,000	14,013	14,013	-	-
Temporary Assistance to Needy Families	93.558	TANF 2009-10	50,000	-	42,081	50,000	7,919
Total Mid Region Council of Governments			100,000	14,013	56,094	50,000	7,919
<b>Department of Health and Human Services</b>							
			\$ 607,736	\$ 53,455	\$ 410,637	\$ 557,736	\$ 200,554
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>							
Passed-through NM State Agency on Aging/NCNMEDD:							
Foster Grandparent Program	94.011	10-624-4000-0024	\$ 25,506	\$ 8,735	\$ 22,626	\$ 25,506	\$ 11,615
Retired Senior Volunteer Program	94.002	10-624-4000-0065	35,087	19,859	35,741	33,373	17,491
Total Passed-through NM State Agency on Aging:			\$ 60,593	\$ 28,594	\$ 58,367	\$ 58,879	\$ 29,106
<b>Corporation for National and Community Service</b>							
			\$ 60,593	\$ 28,594	\$ 58,367	\$ 58,879	\$ 29,106
<b>US DEPARTMENT OF HOMELAND SECURITY</b>							
Emergency Management Performance	97.042	2008-EMPG	30,900	8,638	32,044	30,900	7,494
Emergency Management Performance	97.042	2008-EMPG	321,350	-	-	220,381	220,381
Emergency Management Performance	97.042	2009-FO-092825	92,260	-	87,231	87,231	-
<b>US Department of Homeland Security</b>							
			\$ 444,510	\$ 8,638	\$ 119,275	\$ 338,512	\$ 227,875
<b>AMERICAN RECOVERY AND REINVESTMENT ACT GRANTS (ARRA)</b>							
ARRA - Airport Improvement Grant #30	20.106	AIP 3-35-0037-030-2	\$ 522,254	\$ -	\$ 474,729	\$ 486,635	\$ 11,906
ARRA - Community Development Block Grant	14.253	B09MY350003	155,961	-	58,000	144,220	86,220
ARRA - Neighborhood Stabilization Program	14.256	09-0290	2,000,000	-	1,566,691	1,655,209	88,518
ARRA - Energy Efficiency Buildings - Administered by S	81.128	DE-SC00002936	781,600	-	-	77,456	77,456
ARRA - Energy Efficiency & Conservation Block Grant F	81.128	DE-EE0000681	500,000	-	2,000	27,441	25,441
ARRA - Rodeo Road Landscaping	20.205	ECO-4727(1)	150,000	-	132,313	132,313	-
ARRA - Nutrition Contract	93.705-93.707	2009-10 60026	29,661	-	-	29,661	29,661
ARRA - Pavement Resurfacing	20.208	ECO-4726(2)	2,000,000	-	-	156,742	156,742
<b>American Recovery and Reinvestment Act Grants (ARRA)</b>							
			\$ 6,139,476	\$ -	\$ 2,233,733	\$ 2,709,677	\$ 475,944
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS - Primary Government</b>							
			\$ 33,752,783	\$ 3,129,225	\$ 11,443,502	\$ 11,613,017	\$ 3,298,740

CITY OF SANTA FE, NEW MEXICO  
 NOTES TO SUPPLEMENTAL SCHEDULE OF  
 EXPENDITURES OF FEDERAL AWARDS  
 JUNE 30, 2010

**General**

The following is a reconciliation of the total Federal Awards of the City of Santa Fe and its component unit Santa Fe Civic Housing Authority for the year ended June 30, 2010:

City of Santa Fe Federal Expenditures as reported on page 231	\$ 11,613,017
Santa Fe Civic Housing Authority Federal Expenditures as reported on page 248	12,382,992
Combined Federal Expenditures of the Primary Government and Component Unit	\$ 23,996,009

**Basis of Accounting**

The accompanying Supplemental Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the City's Comprehensive Annual Financial Report.

**Relationship to the Comprehensive Annual Financial Report:**

	<u>CFDA #</u>	<u>AMOUNT</u>
<b>U.S. Department of Housing and Urban Development</b>		
Special Revenue Funds		
Community Development Grants		
Community Development Block Grants	14.218	\$ 649,030
Shelter Plus	14.238	126,884
Shelter Plus	14.238	50,631
Shelter Plus	14.238	210,268
Shelter Plus	14.238	212,412
Shelter Plus	14.238	123,375
Component Unit		
Enterprise Fund - Housing Authority		
Public Housing Subsidy	14.850	1,733,499
Resident Opp. & Support Serv	14.855	54,551
Capital Fund Program	14.870	1,693,655
Competitive CFP Stimulus	14.884	1,172,315
Formula CFP Stimulus	14.885	908,351
BTOP	14.557	75,771
Section 8 Housing	14.870	6,744,850
<b>U.S. Department of Justice</b>		
Special Revenue Grants		
Law Enforcement Grants		
Juvenile Justice - Continuum	16.523	343,752
Recovery act STOP Violence Against Women Grant	16.806	15,527
FY 09 Local Solicitation-Edward Byrne Grant	16.580	48,153
Edward Byrne Memorial	16.580	37,242
Domestic Violence and Sexual Assault Probation Officers	16.580	90,094
Cops Hiring Recovery Program	16.710	11,240
Targeting Violent Crime	16.580	164,605
2007 Justice Assistance Grant -Edward Byrne Grant	16.580	48,169
<b>Department of Transportation</b>		
Enterprise Fund - Transit Bus System		
Welfare to Work (JARC)	20.516	252,778
Section 5307	20.507	1,240,111
Section 5309	20.500	654,232
Airport Improvement Grants	20.106	3,338,744

CITY OF SANTA FE, NEW MEXICO  
NOTES TO SUPPLEMENTAL SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2010

Special Revenue Fund		
Transportation Grants		
Section 112	20.205	153,161
Santa Fe Railyard Park and Plaza	20.205	45,501
Section 8	20.505	30,414
Ridefinders	20.507	51,890
<b>National Endowment for the Arts</b>		
Special Revenue Fund		
Artworks	45.024	50,000
<b>Department of Health and Human Services</b>		
Special Revenue Funds		
Senior Citizens Grants		
Title III B	93.044	107,669
Title III C-1	93.045	118,494
Title III C-2	93.045	51,304
Title III E	93.052	76,340
NSIP	93.053	153,929
Temporary Assistance Needy Families	93.558	50,000
Foster Grandparent Program	94.002	25,506
Retired Senior Volunteer Program	94.002	33,373
<b>US Department of Homeland Security</b>		
Enterprise Fund -Airport		
Emergency Management Performance	97.042	338,512
<b>AMERICAN RECOVERY AND REINVESTMENT ACT GRANTS (ARRA)</b>		
Special Revenue Funds		
ARRA - Airport Improvement Grant #30	20.106	486,635
ARRA - Community Development Block Grant	14.253	144,220
ARRA - Neighborhood Stabilization Program	14.256	1,655,209
ARRA - Energy Efficiency Buildings - Administered by State of NM	81.128	77,456
ARRA - Energy Efficiency & Conservation Block Grant	81.128	27,441
ARRA - Rodeo Road Landscaping	20.205	132,313
ARRA - Nutrition Contract	93.705-93.707	29,661
ARRA - Pavement Resurfacing	20.208	156,742
		<u>23,996,009</u>
	<b>TOTAL</b>	<b>\$ <u>23,996,009</u></b>

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**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**

City of Santa Fe  
Santa Fe, New Mexico  
Honorable Mayor and City Council  
and  
Hector H. Balderas  
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparison for the general fund of City of Santa Fe (the City) as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report dated July 15, 2011. Our reports include a reference to other auditors. We have also audited the financial statements of each of the City of Santa Fe's nonmajor governmental, nonmajor enterprise, and internal service funds and respective budgetary comparisons for the major capital projects and debt service funds and the nonmajor governmental and enterprise funds presented as supplementary information in the accompanying combining and individual fund financial statements as listed in the table of contents. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit the financial statements of the Santa Fe Civic Housing Authority, which is a discretely presented component unit of the City of Santa Fe. Those financial statements were audited by other auditors as described in our report on the City of Santa Fe's financial statements.

**Internal Control Over Financial Reporting**

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

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 controls 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be

material weaknesses, as defined above. However, as discussed below, we did identify a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. This item can be referenced as finding 06-05. 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.

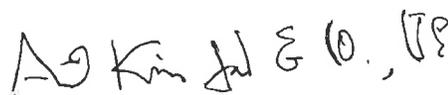
### **Compliance and Other Matters**

As a part of obtaining reasonable assurance about whether the City's financial statements are free of 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*.

We noted certain matters that are required to be reported under *Government Auditing Standards*, paragraph 5.14 and 5.16 and Section 12-6-5 NMSA 1978 which are described in the accompanying schedule of findings and questioned costs as findings 06-06, 08-04, and 09-03.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, the Office of the State Auditor, the New Mexico Legislature, Department of Finance and Administration and applicable federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



**Atkinson & Co., Ltd.**

Albuquerque, New Mexico  
July 15, 2011



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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD  
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

City of Santa Fe  
Santa Fe, New Mexico  
Honorable Mayor and City Council  
and  
Hector H. Balderas  
New Mexico State Auditor

**Compliance**

We have audited the City of Santa Fe, New Mexico's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2010. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

The City of Santa Fe's basic financial statements include the operations of the Santa Fe Civic Housing Authority which expended \$12,382,992 in federal awards which is separately reported the Schedule of Expenditures of Federal Awards during the year ended June 30, 2010. We did not audit the compliance of the Santa Fe Civic Housing Authority, which is a discretely presented component unit of the City of Santa Fe. The compliance of the Santa Fe Civic Housing Authority was audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to compliance of Santa Fe Civic Housing Authority, is based on the report of the other auditors.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 08-02.

### **Internal Control Over Compliance**

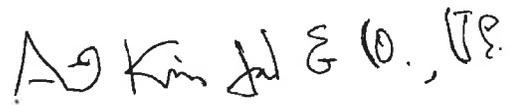
Management of the City of Santa Fe is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 08-02. 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.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, City Council, the Office of the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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**Atkinson & Co., Ltd.**

Albuquerque, New Mexico  
July 15, 2011

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the year ended June 30, 2010

**I. Summary of Audit Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

*Federal Awards*

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.256	Neighborhood Stabilization Program ARRA
20.106	Airport Improvement Grants (Both ARRA and Non-ARRA funds)
81.128	Energy Efficiency and Conservation Block Grant ARRA
20.208	Pavement Resurfacing Project ARRA
20.205	Rodeo Road Landscaping Project ARRA
14.253	Community Development Block Grant ARRA

Dollar threshold used to distinguish between type A and type B programs: \$348,391

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

For the year ended June 30, 2010

**I. Summary of Audit Results – Continued**

Auditee qualified as low-risk auditee? No

**II. Findings – Findings and Questioned Costs – Major Federal Award Programs Audit**

	<b><u>Questioned Costs</u></b>
Neighborhood Stabilization Program	None
Airport Improvement Grants	None
Energy Efficiency and Conservation Block Grant	None
Pavement Resurfacing Project	None
Rodeo Road Landscaping Project	None
Community Development Block Grant	None

**III. Status of Prior Audit Findings**

06-05 Due Date of Audit Report	Repeated and Modified
06-06 Budget Overages	Repeated and Modified
08-02 Data Collection Form-Late Filing	Repeated and Modified
08-04 IT Policies and Procedures	Repeated and Modified
09-01 Contract Compliance	Resolved
09-02 Bank Reconciliations	Resolved
09-03 Parking Permit Receivables	Repeated and Modified
09-04 Contract Lapse	Resolved

**IV. Current Audit Findings**

**Financial Statement Findings Required by *Governmental Auditing Standards***

06-05 Due Date of Audit Report (Repeated and Modified)

**Findings in Accordance with 2.2.2. NMAC**

- 06-06 Budget Overages (Repeated and Modified)
- 08-04 IT Policies and Procedures (Repeated and Modified)
- 09-03 Parking Permit Receivables (Repeated and Modified)

**Finding in Accordance with OMB Circular A-133**

08-02 Data Collection Form-Late Filing (Repeated and Modified)

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

For the year ended June 30, 2010

**PRIOR YEAR FINDINGS-REPEATED AND MODIFIED**

**FINANCIAL STATEMENT FINDING REQUIRED BY GOVERNMENTAL AUDITING STANDARDS**

**06-05 Due Date of Audit Report (Significant Deficiency)**

*Condition:*

The June 30, 2010 audit report was not filed with the State Auditor by the applicable date noted in the contract. The report was not submitted until July 19, 2011.

*Criteria:*

According to State Auditor Rule NMAC 2.2.2.9A, the audited financial statements are due by December 1 following the fiscal year-end, which would be December 1, 2010 for the year under audit.

*Effect:*

The City is not in compliance with State Auditor Rule NMAC 2.2.2.9A for the fiscal year ended June 30, 2010. The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, oversight agencies, etc., do not have timely audit reports and financial statements for their review. Late audit reports could have an effect on state and federal funding and the City's internal budgeting.

*Cause:*

The City segregated a payroll bank account from its main operating account in fiscal year 2010. Implementation of the account change took additional time. Reconciliations related to payroll bank account required additional time to complete and additional time to make correcting entries.

Accruals related to year-end compensated absence liabilities took an unusual amount of time to prepare and record in the general ledger.

Accounts receivable accounts related to utility billing required additional time to reconcile.

Electronic wires to the New Mexico Tax and Revenue department for payment of gross receipts taxes took an unusual amount of time to record in the general ledger.

Capital assets and debt service adjustments took an unusual amount of time to prepare and record in the general ledger.

Turnover in key areas related to CAFR preparation contributed to the late filing.

The audit of the component unit (Santa Fe Civic Housing Authority) was not completed and submitted to the state until April 5<sup>th</sup> 2011.

The City does not have enough human resources to handle current work-load.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

For the year ended June 30, 2010

**PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED**

**FINANCIAL STATEMENT FINDING REQUIRED BY GOVERNMENTAL AUDITING STANDARDS – CONTINUED**

**06-05 Due Date of Audit Report (Significant Deficiency) - Continued**

*Recommendation:*

We recommend the City evaluate whether there is adequate personnel resources to produce a timely CAFR and identify areas where additional training and procedures could be established

*Management Response:*

The City of Santa Fe migrated into a web-base financial system and new human capital software. This delayed the completion of the audit. The City of Santa Fe will work with the auditors on giving the information needed to assist in completing the audit on a timely basis.

**FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC**

**06-06 Budget Overages**

*Condition:*

During our testwork over budgetary compliance for the year ended June 30, 2010, we noted the following budget overages for the City.

Reporting Unit	Budgetary Level	Final Budget	Actual Amount	Overage Amount
General fund-education expenditures	Function Level	2,782,817	2,988,945	206,128
Impact fee projects-total transfers out	Fund Level	179,291	199,023	19,732
Historic preservation grant-total expenditures	Fund Level	50	450	400
Debt Service Fund-total expenditures	Fund Level	13,432,364	13,457,590	25,226
CIP Reallocation Fund-total expenditures	Fund Level	-0-	86,191	86,191
Special Projects-total expenditures	Fund Level	621,614	1,018,644	397,030
Special Recreation League-total transfers out	Fund Level	-0-	8,000	8,000
Worker's Compensation-operating expenses	Division Level	1,085,300	2,180,090	1,094,790
Union Sick Leave Bank-operating expenses	Division Level	-0-	73,910	73,910
Retiree Health Care-total operating expenses	Division Level	-0-	21,172	27,172
Santa Fe Dental-operating expenses	Division Level	-0-	611,458	611,458
Parking-operating expenses	Division Level	5,146,999	5,271,354	124,355

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

For the year ended June 30, 2010

**PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED**

**FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC - CONTINUED**

**06-06 Budget Overages - Continued**

In addition we noted the Capital Equipment Reserve fund, Community Development Grants, NEA Grants fund, and the City Parks funds' final budgeted expenditures and transfers were in excess of budgeted revenues and beginning fund balance.

*Criteria:*

New Mexico State Statute 6-6-6 NMSA 1978 requires that local government spending does not exceed budgeted amounts, unless approved budget adjustments are made. State law mandates that municipalities develop and operate within the confines of a balanced budget.

*Effect:*

The possibility existed for the City to incur a significant budget overage that would have had financial impact. The city is not in compliance with state statutes.

*Cause:*

Year-end adjustments of budgeted and actual expenditures were not completed for certain funds.

*Recommendation:*

Management should update policies and procedures that specifically include reviews that compare actual to budget expenditures

*Management Response:* The City of Santa Fe migrated into a web-base financial system and new human capital software. This caused delay in reviewing actual to budget expenditure to ensure actual did not exceed budget

**08-04 IT Policies and Procedures**

*Condition:*

During our review of information technology policies and procedures, we noted the following conditions related to change controls and backup recovery testing procedures:

- 1) Application data users do not perform periodic reviews of user access rights for all in-scope applications (and network access when required). Additionally when user access rights are modified (due to job transfers or other reasons), the access rights of these users are not reviewed in order to remove access rights that are no longer needed.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

For the year ended June 30, 2010

**PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED**

**FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC - CONTINUED**

**08-04 IT Policies and Procedures - Continued**

- 2) File server and application recovery procedures are not tested at least once annually to ensure data integrity and recovery.
- 3) IT policies appear to be outdated. The most recent policy available for review was titled "Technology Resource Acceptable Use Policy" and had a revision date of October 2, 2003.

*Criteria:*

State audit rule 2.2.2.8 L (7) states "Any violation of law or good accounting practice including instances of noncompliance or internal control weakness must be reported as an audit finding per section 12-6-5 NMSA 1978."

Policies and procedures should provide the basis for internal control activities that ensure backup recovery testing is performed and change controls are implemented. All internal control criteria and requirements apply to the IT function as well that protect the integrity of information.

*Effect:*

Lack of backup recovery testing could result in unexpected backup failure in the event of a catastrophe. This could impair the City's ability to prepare reliable financial statements if relevant information is lost. Lack of change control could result in unauthorized changes to application, database, and operating systems.

*Cause:*

Lack of written policies pertaining to backup recovery testing procedures and change procedures combined with inadequate staffing levels contribute to the internal control weakness, which can affect operations of the City.

*Recommendation:*

We recommend policy controls surrounding Information technology processes, responsibilities for recovery testing, change controls related to application, databases, and user rights should be present to ensure only valid changes are made.

*Management Response:*

The City of Santa Fe will establish written policies pertaining to backup recovery testing procedures and change procedures to ensure testing data integrity and recovery once annually.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

For the year ended June 30, 2010

**PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED**

**FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC - CONTINUED**

**09-03 Parking Permit Receivables**

*Condition:*

During our audit of the City's Parking Permit Receivables we noted the following conditions:

The Parking Division was unable to provide the external auditor with a customer listing of permit receivables at year-end.

*Criteria:*

State audit rule 2.2.2.8 L (7) states "Any violation of law or good accounting practice including instances of noncompliance or internal control weakness must be reported as an audit finding per section 12-6-5 NMSA 1978."

Good internal control over financial reporting requires reconciliation between customer parking permit receivables and gross parking permit receivables recorded in the general ledger at year-end.

Good accounts receivable management requires the City to maintain a separate account ledger for each individual parking permit customer that accounts for the individual invoices for permits, receipts, age of each invoice, and balance at year-end.

*Effect:*

Parking receivables net of allowances reported in the Parking Enterprise Fund could be overstated as of June 30<sup>th</sup> 2010.

*Cause:*

In previous years the City maintained a detail of parking permit receivables by customer within their utility billing software. In fiscal year 2009 the City migrated to a new web-base financial system (Enterprise One) and transferred the customer permit receivable data to Enterprise One. The Enterprise One system is currently not being used to generate a detail of parking permit receivables by customer, thus a listing could not be provided to the external auditor.

*Recommendation:*

We recommend the Parking Division work with the IT Department to run a customer aging report as of a point in time from Enterprise One.

*Management's response:*

Parking Division will diligently work toward migrating the parking permit account receivables information into the new web based financial system so that a listing of the parking permit receivables can be printed and verified on a daily, weekly or monthly basis.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

For the year ended June 30, 2010

**PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED**

**FINDING IN ACCORDANCE WITH OMB CIRCULAR A-133**

**08-02 Data Collection Form-Late filing (Significant Deficiency)**

*Condition:*

The City did not file form SF-SAC (Data collection form), by the prescribed deadline of March 31, 2011. It was submitted on July 28, 2011.

*Criteria:*

For all entities that undergo a single audit, standard form SF-SAC is required to be submitted to the federal clearinghouse to summarize the single audit results. OMB A-133 section 320 (a) requires the report to be submitted within 9 months of the date of the audit period (March 31, 2011).

*Effect:*

The City was not in compliance with the filing deadline of the SF-SAC to the federal clearinghouse pursuant to A-133 standards.

*Cause:*

The audit report for the City was not submitted to the Office of the State Auditor until July of 2011, which was past the stated deadline. A completed audit forms the basis for filing the SF-SAC. The audit was late due to several accounts that required additional time to reconcile and additional time to make correcting journal entries.

*Recommendation:*

Atkinson & Co., Ltd. recommends that the office work closely with our staff for fiscal year 2011 to prevent a reoccurrence of this finding by filing the required reports by the deadline.

*Management's Response:*

The City of Santa Fe will work with the auditors on giving the information needed to assist in filing the required reports by the deadlines.

City of Santa Fe

**EXIT CONFERENCE**

For the year ended June 30, 2010

\* \* \* \* \*

The content of the financial statements is the responsibility of management. The financial statements were prepared by the City of Santa Fe with assistance from the independent auditor. An exit conference was held on July 11, 2011, to discuss the audit. The following individuals were in attendance:

**City of Santa Fe**

Teresita Garcia  
Robert Romero

Assistant Finance Director  
City Manager

**Independent Auditor**

Martin Mathisen, CPA, CGFM  
Morgan Browning, CPA, CGFM

Audit Director  
Audit Manager

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**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2010**

Federal Grantor/ Program Title	Federal CFDA Number	Receivable		Receivable		Receivable		Receivable	
		(Deferred Revenue) July 1, 2009	HAP Equity July 1, 2009	Admin Equity July 1, 2009	Cash Receipts	Expenditures	(Deferred Revenue) June 30, 2010	HAP Equity June 30, 2010	Admin Equity July 1, 2010
<b>Department of Housing and Urban Development</b>									
Public Housing Subsidy	14.850	\$ -	-	-	1,514,088	1,733,499	219,411	-	-
Resident Opportunity and Supportive Services	14.855	-	-	-	54,551	54,551	-	-	-
Capital Projects Fund	14.870	28,951	-	-	1,479,237	1,693,655	243,369	-	-
Competitive CFP Stimulus	14.884	-	-	-	1,176,467	1,172,315	(4,152)	-	-
Formula CFP Stimulus	14.885	-	-	-	709,230	908,351	199,121	-	-
BTOP	14.557	-	-	-	75,771	75,771	-	-	-
Section 8 Housing	14.87	-	1,348,217	-	7,173,802	6,744,850	-	2,017,851	223,173
<b>Total Department of Housing and Urban Development</b>		<b>\$ 28,951</b>	<b>1,348,217</b>	<b>-</b>	<b>463,855</b>	<b>12,382,992</b>	<b>657,749</b>	<b>2,017,851</b>	<b>223,173</b>

**NOTE 1.**

The accompanying Schedule of Expenditures of Federal Awards presents the federal financial assistance programs of the Authority and does not include those expenditures of the City of Santa Fe, New Mexico.

**NOTE 2.**

This schedule has been prepared on the accrual basis of accounting.

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# Ricci & Company LLC

CERTIFIED PUBLIC ACCOUNTANTS  
6200 UPTOWN BLVD. NE - SUITE 400  
ALBUQUERQUE, NM 87110

**Independent Auditor's 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 the Board of Directors, Santa Fe Civic Housing Authority and  
City Council, City of Santa Fe, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

We have audited the accompanying financial statements of the business-type activities, each major fund, the aggregate remaining fund information, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the Santa Fe Civic Housing Authority (the Authority), a component unit of the City of Santa Fe, as of and for the year ended June 30, 2010, and have issued our report thereon dated March 28, 2011. 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.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures 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 Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A deficiency in internal controls 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 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.

To the Board of Directors, Santa Fe Civic Housing Authority and  
City Council, City of Santa Fe, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we did identify certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting, 09-01. A *significant deficiency* is a deficiency, or 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.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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*.

We noted certain matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and Section 12-6-4, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 05-01, 07-04, 09-02 and 10-5.

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the Authority, Office of the State Auditor, New Mexico Legislature, and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

*Ricci + Company LLC*

Albuquerque, New Mexico  
March 28, 2011

# Ricci & Company LLC

CERTIFIED PUBLIC ACCOUNTANTS  
6200 UPTOWN BLVD. NE - SUITE 400  
ALBUQUERQUE, NM 87110

## Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

To the Board of Directors, Santa Fe Civic Housing Authority and  
City Council, City of Santa Fe, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

### Compliance

We have audited the compliance of the State of New Mexico Santa Fe Civic Housing Authority (the Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2010. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 10-01, 10-02, 10-03 and 10-04.

Board of Directors, Santa Fe Civic Housing Authority and  
City Council, City of Santa Fe, New Mexico and  
Mr. Hector Balderas  
New Mexico State Auditor  
Santa Fe, New Mexico

### Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 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 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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

The Authority's responses to findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, others within the Authority, Office of the State Auditor, the New Mexico Legislature, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

  
Albuquerque, New Mexico  
March 28, 2011

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2010**

05-01	Cash Deposits and Related Liabilities	Resolved
07-04	Budgetary Compliance	Updated and Included
09-01	Financial Status	Updated and Included
09-02	Employee Travel and Per Diem	Updated and Included

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**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010**

**A. SUMMARY OF AUDIT RESULTS**

***Financial Statements***

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiency(s) identified that are not considered to be material weakness(es)?      Yes   X   None Reported

Non-compliance material to financial statements noted?      Yes   X   No

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?      Yes   X   No
- Significant deficiency(s) identified that are not considered to be material weakness(es)?      Yes   X   None Reported

Type of auditors' report issued on compliance for Major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 501(a) of Circular A-133?   X   Yes      No

**Identification of Major Programs Tested**

#14.871	Section 8 Housing
#14.884	Public Housing Capital Fund Competitive (Recovery Act Funded)
#14.885	Public Housing Capital Fund Stimulus, Formula (Recovery Act Funded)

Dollar threshold used to distinguish between Type A and Type B programs \$      300,000

Auditee qualified as low-risk auditee?   X   Yes      No

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**09-01 FINANCIAL STATUS – LATE AUDIT**

**CRITERIA**

The Committee of Sponsoring Organizations' (COSO) definition of internal control over financial reporting states that the internal controls over financial reporting should be effective and efficient.

In addition, the 2010 State Audit Rule 2.2.2.9 requires the Authority's audit report to be submitted by December 1, 2010.

**CONDITION**

In August 2010, the Authority was notified that it was responsible for all activity related to the Espanola Housing Authority, retroactive to July 1, 2009. Due to the timing of this notification, accounts related to Espanola for the year ended June 30, 2010 were not reconciled until December 2010. In addition, since the most recent audit related to the activity at Espanola was for the year ended June 30, 2009, in which the activity of the Espanola Housing Authority was disclaimed upon, significant procedures had to be completed to determine beginning balances.

In addition, as field work began, the Authority had not reconciled all balances, specifically completing the analysis related to intercompany accounts and material adjustments were required to be made to the Schedule of Expenditures of Federal Awards. However, once the reconciliations were completed, additional adjustments were not required to be made to the accounts as a result of our audit on those account balances.

**EFFECT**

Since the year-end adjusted balances were not completed in an efficient and timely manner, the submission of the Audit Report was late.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT (Continued)**

**09-01 FINANCIAL STATUS – LATE AUDIT (Continued)**

**CAUSE**

Due to the timing of the notification regarding the inclusion of the Espanola Housing Authority audit with the Santa Fe Civic Housing Authority audit, the Authority was unable to complete the reconciliations in a timely manner. In addition, due to the timing and complexity of expending federal funds, the reconciliation of grant expenditures was not completed timely.

**RECOMMENDATION**

The Authority should prioritize a more timely reconciliation process for the year ended June 30, 2011.

**MANAGEMENT RESPONSE**

We concur, circumstances were outside of our control but we take responsibility.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010**

**C. FINDING – FEDERAL MAJOR AWARD PROGRAMS**

**10-01 Reporting**

**14.872 – Capital Fund Program**

**Questioned Costs – None**

**CRITERIA**

Per the OMB A-133 Compliance Supplement, the Authority is required to submit a Form HUD 60002, Section 3 Summary Report by January 10<sup>th</sup> each year.

**CONDITION**

The Authority did not submit the required HUD 60002 report for the funds received from the Capital Fund Recovery Grant (Grant #NM00900000109G).

**CAUSE**

The Authority submitted three other required HUD 60002 reports related to different capital fund grants, but failed to submit the quarterly report for the Capital Fund Recovery Grant because they failed to identify those funds had been spent prior to December 31, 2009. There is a lack of controls surrounding identification of required reports.

**EFFECT**

If the Authority does not comply with all reporting requirements, there is a risk that they could lose future funding.

**RECOMMENDATION**

We recommend that the Authority establish internal controls around reporting, possibly a reporting checklist, to help identify what reports need to be submitted and by what date.

**MANAGEMENT RESPONSE**

We concur, internal controls required are now in place, requiring the Finance Bureau to review the Section 3 reports and ensure timely and complete reporting.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010**

**C. FINDING – FEDERAL MAJOR AWARD PROGRAMS**

**10-02 Cash Management  
14.872 – Capital Fund Program**

**Questioned Costs – \$166,629.50**

**CRITERIA**

Per the OMB A-133 Compliance Supplement, when an entity is funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government.

**CONDITION**

While testing a sample of six reimbursement requests, we identified one instance where the reimbursement request was made (3/8/10) prior to entity funds being disbursed (3/17/10).

**CAUSE**

There are internal control procedures in place surrounding reimbursement requests. However, in this instance, there were cash flow problems and the request was made prematurely.

**EFFECT**

If the Authority does not comply with cash management requirements, there is a risk that they could lose future funding.

**RECOMMENDATION**

We recommend that already established internal control policies surrounding cash management be followed.

**MANAGEMENT RESPONSE**

On February 22, 2010, the Authority received an invoice for construction work. On March 5, 2010 the Authority submitted a draw request for Capital Fund program funds related to that invoice believing it to be approved. Subsequent to that draw, the Authority determined that additional information was needed prior to our architect's signing off on the AIA document. Because of the additional information requirement, we did not process payment until March 17, 2010, approximately four days longer than allowed under CFP guidelines.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010**

**C. FINDING – FEDERAL MAJOR AWARD PROGRAMS**

**10-03 Rent Reasonableness  
14.871 – Section 8 Voucher**

**Questioned Costs – None**

**CRITERIA**

Per 24 CFR 982.4, .54(d)(15), .158(f)(7), and .507 SFCHA is required to maintain records which document the basis for the determination that rent to the owner is reasonable.

**CONDITION**

In our testwork, we have determined that for five of twenty five individuals selected, SFCHA failed to maintain these records. It was determined that several other tenants located in the same complexes as those without documentation had similar rent and the rent charged was deemed reasonable.

**EFFECT**

Rent determination for individuals in the Section 8 program may be inappropriately determined and result in rent paid to a landlord which is above the average Fair Market Rate (FMR).

**CAUSE**

Management was unaware that the files did not contain all required documentation.

**RECOMMENDATION**

The Authority should develop a documentation checklist which can be included in each tenant's file allowing for quick determination of all required documents, which may be reviewed by supervisors of the program.

**MANAGEMENT RESPONSE**

We concur with the errors. This is due mostly to one staff member. Quality assurance programs are now in place and disciplinary action has been addressed.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010**

**C. FINDING – FEDERAL MAJOR AWARD PROGRAMS**

**10-04 Data Collection Form**

**CRITERIA**

The Data Collection Form and related reporting package have to be filed within nine months of the Authority's year end per the Single Audit Act.

**CONDITION**

The Authority did not file its Data Collection Form on a timely basis with the Federal Clearing House for the years ended June 30, 2009, 2008 and 2007.

**CAUSE**

Previous to the year ended June 30, 2007, the federal awards for the Authority were included with the City of Santa Fe's major program determination and included as part of the City's Data Collection Form. Starting with the year June 30, 2007, the Authority and the City started obtaining separate single audits and separate Data Collection Forms were not submitted by the Authority.

**EFFECT**

The submission was not made available on a timely basis for use by Federal grantors.

**RECOMMENDATION**

The Authority is required to submit Data Collection Forms for all years and should submit all required Data Collection Forms to the Federal Clearing Housing as soon as possible.

**MANAGEMENT RESPONSE**

Management has begun working with its current auditors to submit the 2008 and 2009 Data Collection Forms. Discussions have also been had with the auditors to make sure the June 30, 2010 Data Collection Form is submitted before March 31, 2010.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010**

**D. FINDING – COMPLIANCE AND OTHER MATTERS**

**07-04 Budgetary Compliance**

**CRITERIA**

Actual expenses exceeded budgeted expenses for the Espanola Public Housing Authority by \$40,589.

**CONDITION**

Per SAO Rule 2.2.2.10 P(1), "If actual expenditures exceed budgeted expenditures at the legal level of budgetary compliance, that fact must be reported in a finding."

**CAUSE**

The adopted budget budgeted \$78,050 for depreciation expense. However, actual depreciation expense was \$348,162. This is the primary reason why the fund was over budget.

**EFFECT**

The Authority may jeopardize federal funding if budgets are not complied with.

**RECOMMENDATION**

We recommend that the Authority comply with legal budget requirements as outlined in the State Auditor Rule.

**MANAGEMENT RESPONSE**

We concur. This resulted from financial data relative to the Espanola Public Housing Authority which is resolved due to final transfer of the Authority to Santa Fe.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010**

**D. FINDING – COMPLIANCE AND OTHER MATTERS**

**09-02 Employee Travel and Per Diem**

**Questioned Costs - \$258**

**CRITERIA**

Per 10-8-4 NMSA 1978 and 2.42.2.8 (A) NMAC, "Where lodging and/or meals are provided or paid for by the agency, the governing body, or another entity, the public officer or employee is entitled to reimbursement only for actual expenses under 2.42.2.9 NMAC."

**CONDITION**

During our review of employee travel and per diem, in three of four items tested, individuals were paid per diem for meals when the Authority paid the actual cost of lodging. Because of this misinterpretation, travel request forms were not completed and receipts for actual meal expenses were not turned in, resulting in \$258 being paid to employees. The amounts paid were in compliance with the maximum allowable costs.

**CAUSE**

Management was unaware that, with the exception of the return day, it was not allowed to pay both actual and per diem on overnight travel.

**EFFECT**

The Authority is not in compliance with Section 10-8-4, NMSA 1978 and 2.42.2.8 NMAC.

**RECOMMENDATION**

We recommend that the employees in charge of reviewing and approving travel vouchers review 10-8-4 NMSA 1978 and 2.42.2.8 NMAC to become more familiar with the requirements on partial day per diem.

**MANAGEMENT RESPONSE**

We concur and change in policy has been communicated to the all employees that review and approve travel requests and reimbursements.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010**

**D. FINDING – COMPLIANCE AND OTHER MATTERS**

**10-05 Pledged Collateral**

**CRITERIA**

Section 6-10-17 NMSA 1978 states that any financial institution designated as a depository of public money shall deliver securities having an aggregate value of at least one-half of the amount of public money to be deposited to a custodial bank and shall deliver a joint safekeeping receipt issued by the custodial bank to the public official from whom the money is received for deposit.

**CONDITION**

During our review of cash, we noted that the Authority keeps checking and savings accounts for several of the Authority's funds at Los Alamos National Bank (LANB). Although collateral was provided, there was not enough to cover at least one-half of the public funds deposited with the bank as of June 30, 2010. The Authority was under collateralized by \$17,698.

**CAUSE**

Upon conversation with LANB, they stated in the event of failure, any lost funds would be off-set against the debt the Authority has with LANB. It was determined that this does not meet pledged collateral requirements.

**EFFECT**

The Authority is not in compliance with State law and does not have its cash balance properly secured.

**RECOMMENDATION**

We recommend that the Authority work with LANB to ensure that pledged collateral is maintained at adequate levels.

**MANAGEMENT RESPONSE**

We concur; additional vigilance will be placed on individual accounts.

**STATE OF NEW MEXICO  
SANTA FE CIVIC HOUSING AUTHORITY  
EXIT CONFERENCE  
Year Ended June 30, 2010**

**Exit Conference**

An exit conference was held on March 1, 2011 to discuss the annual financial report. Attending were the following:

**Representing the Santa Fe Civic Housing Authority:**

**Board of Directors  
Michael Gonzales, Chairperson  
Virginia Soto, Member**

**Management  
Ed Romero, Executive Director  
Rudy Gallegos, Deputy Executive Director  
Anna Chavez, Administrative Supervisor**

**Representing the Independent Auditor:**

**Herman Chavez, CPA, Manager  
Jake Bowe, Staff**

**Note: Management is responsible for the context of the report, even though the financial statements were prepared substantially by the independent auditor.**