



City of Santa Fe, New Mexico

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2012



City of Santa Fe, New Mexico

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

**Prepared by:
Finance Department
Financial Management Division**

**Mayor
David Coss**

**CITY OF SANTA FE, NEW MEXICO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2012**

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City of Santa Fe

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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

www.santafenm.gov

David Coss, *Mayor*

Councilors:

Rebecca Wurzburger, Mayor Pro Tem, Dist. 2

Patti J. Bushee, Dist. 1

Chris Calvert, Dist. 1

Peter N. Ives, Dist. 2

Carmichael A. Dominguez, Dist. 3

Christopher M. Rivera, Dist. 3

Bill Dimas, Dist. 4

Ronald S. Trujillo, Dist. 4

February 19, 2013

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 the requirement we hereby issue the Comprehensive Annual Financial Report of the City of Santa Fe for the fiscal year ending June 30, 2012.

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 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 aspects.

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 is to provide reasonable assurance that the financial statements of the City of Santa Fe for the fiscal year ended June 30, 2012 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 reasonable basis for rendering an unqualified opinion that the City of Santa Fe's financial statements for the fiscal year ended June 30, 2012, 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.

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

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 the 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. The current population is approximately 67,749 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 property 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 a 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 abolition 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, the City Manager oversees 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 every two years; districts elect the eight council members. 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 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

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

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 basis 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 government work-force, which is estimated to be around 16,300 people. This is about 22% of the workforce across all levels of government. Many residents work at Los Alamos National Laboratory, one of the country's premier scientific research centers.

Santa Fe has been named as one of the top ten tourist destinations in the country by Travel and Leisure magazine. Furthermore, it is in the top five art markets in the world and is in the top three in the United States. The City's spectacular setting and abundant cultural resources – including over 200 art galleries, four star hotels and resorts, a Nationally recognized opera company, music festivals, museums and more – draw visitors and second home owners from all over the world. These assets create a robust business environment.

Like other communities, Santa Fe suffered through the most severe recession in decades. For the first time, however, since 2008-2009, the gross receipt tax (GRT) reflected a strong increase of about 4% for the year. In addition, through the diligent and collective efforts of our elected officials and our staff, measures continue to be taken to reduce expenditures and prioritize services and projects. The City's reliance on (GRT) as a funding source for many decades has made it vulnerable to reductions in consumer spending. In addition, the City's appeal to retirees and high-income vacation homeowners has produced high housing prices, although prices have been affected by the nation-wide downturn in real-estate sales. The historically 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 slowdowns.

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

The City Council, Mayor, and City Manager have maintained the confident direction of a broad ranging, financially conservative, program of cost containment, organizational change and service improvement, coupled with prudent use and management of cash reserves. This will allow the City to deal with any long term increase or decline in revenues as the National economy slowly recovers. By investing in the community, the City has made significant investments in the long-term health of the City. These investments include completion of a beautiful Convention Center and the successful completion of the Railyard Redevelopment Project area. Additionally, the City has made a strong investment in the Buckman Diversion Water Treatment Facility as well as the Santa Fe University of Art and Design. Both of these projects are designed to ensure an increased quality of life for the residents of Santa Fe and its surrounding areas. Both the Railyard and the Convention Center are supported by dedicated GRT increments in addition to program revenues.

In fiscal year 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, and this year added another one. These changes have helped offset the reduction of economic activity resulting from the national downturn. The unemployment rate for the region (which includes the City of Santa Fe and the surrounding unincorporated areas with the same county) still remains lower than the state unemployment rate of 6.6% and the national rate of 8.08% for 2012. Toward the end of 2012, unemployment in Santa Fe hovered around 5.19%.

There was improvement in the City's housing market in terms of the number of sales of homes from 571 in 2011 to 694 in 2012, or a 22% increase. The median home sale price in the City decreased somewhat from \$289,000 in 2011 to \$274,855 in 2012. In March 2012, the minimum wage in the City increased about 3% per hour, or \$10.51 per hour, based on the increase in the consumer price index for the Western Region.

LONG-TERM FINANCIAL PLANNING:

During the last few years, 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, and are moving to full operation of the system. The City Council adopted a ten-year financial plan for the Water Diversion that includes annual rate increase of 8.2% for five years beginning in 2009. In the fall of 2011 Fitch Credit Rating Agency reaffirmed the City's Water bond rating at "AAA." By FY 2012 this rating had not changed and was maintained. This is a testament to sound financial management in the current economic climate.

The City is engaged in the second year of a ten-year plan for its Wastewater Division and a five-year plan for the Solid Waste Division. These planning efforts have assured that the City maintains the financial soundness of its enterprise operations and increases the resilience and flexibility of its governmental activities.

By continuing its practice of investing in the community, the City is planning a presence at the Railyard through the purchase of a business condominium in the Market Station. This purchase is designed to increase the City's assets and reduce the amount of rent paid to house various

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

departments at the Federal Building, which is a non-city owned facility. According to the bond certificates and the amortization table, this purchase will save about \$50,000 minimum in rent per year and is a wise investment.

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 call/maturity of 188 days. The average yield on investments was .81%.

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 that 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 coverage, medical safety, and other employee coverage programs. As part of this comprehensive plan, resources are accumulated in internal services 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 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 does 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. pages 72-73.

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

ACKNOWLEDGEMENTS:

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,

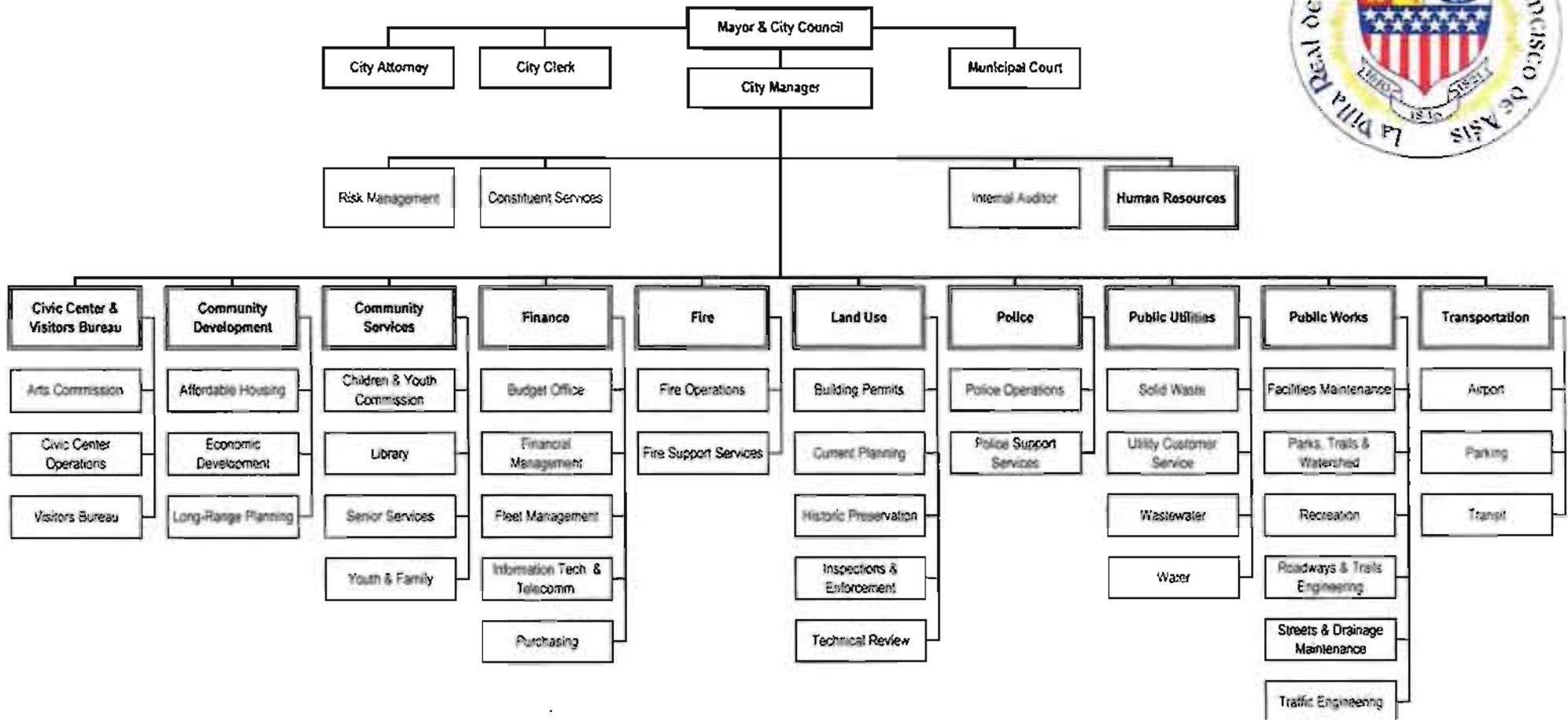


Robert P. Romero,
City Manager



Dr. Melville L. Morgan,
Finance Director

Council-Approved FY 2011/12 City of Santa Fe Organizational Chart



CITY OF SANTA FE, NEW MEXICO

PRINCIPAL OFFICIALS

JUNE 30, 2012

MAYOR

David Coss

CITY COUNCIL

Rebecca Wurzburger, Mayor Pro Tem.....District 2
Patti J. Bushee.....District 1
Chris Calvert.....District 1
Peter N. Ives.....District 2
Carmichael A. Dominguez.....District 3
Christopher M. Rivera.....District 3
Bill Dimas.....District 4
Ronald S. Trujillo.....District 4

CITY MANAGER

Robert P. Romero

FINANCE DEPARTMENT

Dr. Melville L. Morgan
Finance Department Director

Teresita Garcia
Assistant Finance Director

Helene Hausman
Cash/Investment Officer

Erica J. Martinez
Senior Financial Analyst

Cal Probasco
Budget Officer

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

FINANCE DEPARTMENT

Dr. Melville L. Morgan, Finance Department Director

Teresita Garcia, Assistant Finance Director

Helene Hausman, Cash/Investment Officer

Erica Martinez, Senior Financial Analyst

Amy Martinez-Duran, Accounting Supervisor

Melissa D. Ortiz, Accounting Supervisor

Clarence Romero, Accounting Supervisor

Halona J. Crowe, Accounting Supervisor

Shirley Coca-Barela, Financial Analyst

Tony S. Martinez, Financial Analyst

Michelle Montoya, Financial Analyst

Stephen Morales, Financial Analyst

Jennifer Peabody, Financial Analyst

WEB PUBLICATION

Vincent S. Montoya, Business Analyst

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COVER PHOTO

Chuck Bear

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Financial Section

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ALBUQUERQUE, NM 87110

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ALBUQUERQUE, NM 87179

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Santa Fe
Santa Fe, New Mexico
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 budgetary comparisons for the general fund and major special revenue funds of the City of Santa Fe, as of and for the year ended June 30, 2012, which collectively comprise the City of Santa Fe's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the City of Santa Fe's nonmajor governmental, nonmajor enterprise, internal service funds, and the budgetary comparisons for the major capital project funds, debt service funds, and all major funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of City of Santa Fe's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Santa Fe's internal control over financial reporting. Accordingly, we express no such opinion. 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 provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Fe, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof

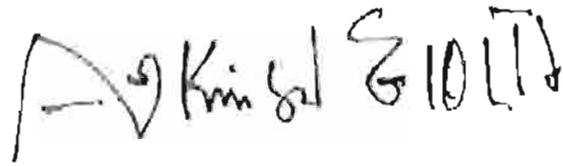
and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, and internal service fund of the City of Santa Fe as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, permanent funds and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2013 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplementary schedules" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements 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 in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in black ink, appearing to read "Atkinson & Co., Ltd.", written in a cursive style.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
February 19, 2013

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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, 2012. 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 \$618,572,124 (*net assets*). Of this amount, \$141,605,479 (*unrestricted net assets*) may be used to meet the City's obligations to citizens and creditors.
- The City's total assets increased by \$8,466,644 primarily because of purchase of the Railyard Market Station Condominium and the City's construction projects funded by general obligation bonds for the acquisition of land and to improve, public parks, trails and open space for recreational purpose.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$84,208,632 an increase of \$10,285,788 in comparison with the prior year. This primarily reflected the expenditures of capital funds for parks and other projects financed through bonds and use of beginning year fund balances.
- Of the total governmental fund balances of \$84,208,632 approximately 14% (\$11,589,416) is consider unspendable and approximately 75% (\$62,156,089) is spendable but reserved or designated for specific purposes. At the end of the current fiscal year, the unassigned fund balance is \$10,463,127 and is available for spending at the City's discretion.
- The City's total long-term liabilities increased by \$12,280,283 during the fiscal year. In conjunction with the annual debt service payment, this reflects the issuance of several bond issues, two of which were refunding issues, and the acquisition of two loans.
 - The 2012A Gross Receipts Tax Improvement and refunding Revenue Bonds issued in the par amount of \$32,725,000 to be used to refund the 2004 Gross Receipts Tax Improvement Revenue Bonds and to provide \$22,000,000 for the capital improvement program.
 - The 2012B Gross Receipts Tax (Subordinate Lien) Wastewater System Refunding Revenue Bonds issued in the par amount of \$14,280,000 to refund

the 1997B Gross Receipts Tax (Subordinate Lien) Wastewater System Variable Rate Revenue Bonds.

- An additional loan received from NMFA to finance projects related to the City water treatment facility improvements and upgrades. Loans received totaled \$300,000 with an accompanying grant of \$1,200,000.
- An existing loan received from NMFA was increased from \$250,000 to \$320,138 for watershed management.

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 declining.

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 vacation 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, College of Santa Fe property, and two recreation facilities.

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 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 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major 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 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 75 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 \$618,572,124 at the close of the most recent fiscal year.

A portion of the City's net assets (71 %) 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, 2012 and 2011

	Governmental Activities		Business-type Activities		1-2%	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 108,629,641	\$ 106,310,868	\$ 141,485,973	\$ 143,742,028	\$ 250,115,614	\$ 250,052,818
Capital assets	314,890,006	310,789,990	472,408,354	468,124,424	787,298,360	778,894,414
Total assets	423,519,647	417,080,878	613,894,327	611,866,452	1,037,413,974	1,028,947,330
Long-term liability	142,426,970	130,062,097	253,047,979	253,132,579	385,474,948	383,194,666
Other liabilities	16,872,943	20,062,851	6,493,958	17,421,206	23,366,901	37,484,057
Total liabilities	159,299,913	150,124,938	259,541,937	270,553,785	418,841,850	420,878,723
Net assets						
Invested in capital assets, net of related debt	186,752,403	191,538,896	231,134,448	208,210,696	417,886,851	389,749,392
Restricted	52,596,695	46,978,782	6,483,099	5,960,961	59,079,794	52,939,763
Unrestricted	24,870,636	28,438,462	116,734,843	127,140,990	141,605,479	155,579,452
Total net assets	\$ 264,219,734	\$ 266,955,940	\$ 354,352,390	\$ 341,312,667	\$ 618,572,124	\$ 608,268,607

An additional portion of the City's net assets (10.0%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$141,605,479) 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 \$5,342,471.

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.

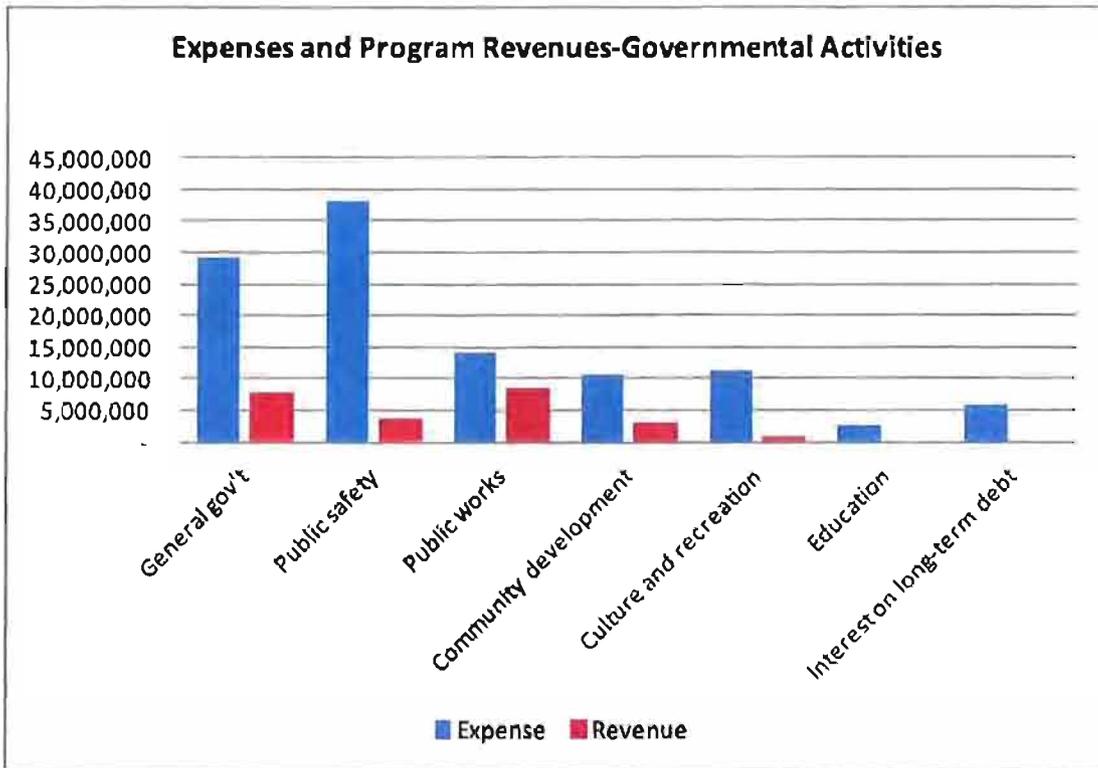
The City's net assets increased by \$10,303,517, during the current fiscal year. This growth largely reflects increases in capital assets in business-type activities related construction projects.

Governmental activities. Governmental activities decreased the City's net assets by \$2,736,206. This was primarily due to an increase in general obligation debt for capital assets. Taxes provide 81% of governmental activities revenues. 80% of the taxes are provided by a gross receipts tax (GRT) levied on goods and services in the amount of \$80,000,069. This was a slight increase from the gross receipts tax revenues received in 2011 in the amount of \$77,533,815.

**CITY OF SANTA FE's Changes in Net Assets
For Fiscal Years Ended June 30, 2012 and 2011**

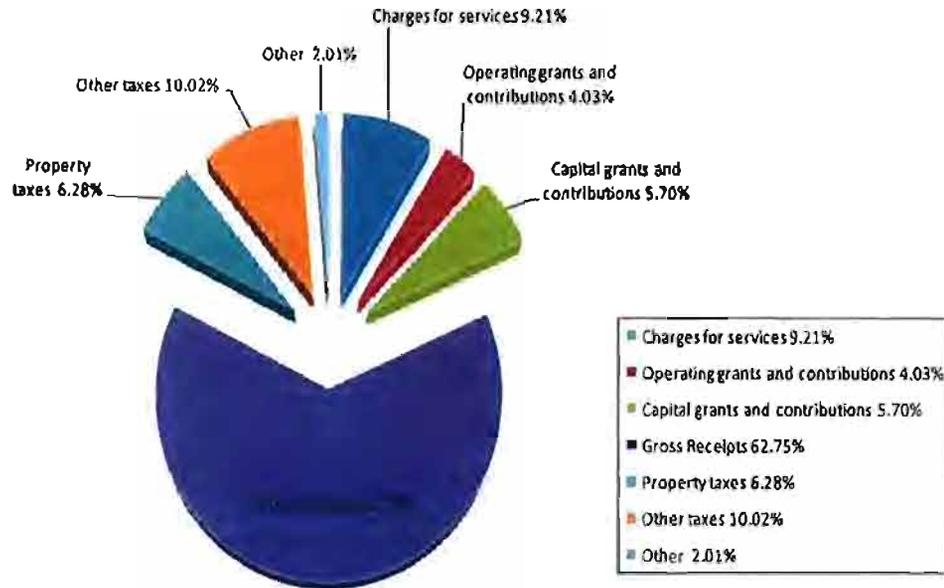
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	\$ 11,096,129	\$ 11,388,805	\$ 74,220,467	\$ 71,475,547	\$ 85,316,616	\$ 82,862,352
Operating grants and contributions	4,375,224	4,979,757	1,334,570	1,021,037	5,709,794	6,000,794
Capital grants and contributions	7,707,437	7,041,732	4,400,904	7,262,014	12,108,341	14,303,746
General revenues:						
Sales taxes	80,000,069	77,533,815	10,955,392	10,615,795	90,955,461	88,149,610
Other taxes	20,506,434	20,141,698	-	-	20,506,434	20,141,698
Donated Land and Building	-	-	-	-	-	-
Other	1,765,708	2,485,431	824,103	5,092,937	2,589,811	7,578,368
Total revenues	125,451,001	123,589,298	91,735,456	95,467,330	217,186,457	219,036,568
Expenses:						
General Government	29,053,851	26,391,068	-	-	29,053,851	26,391,068
Public Safety	38,164,145	36,015,879	-	-	38,164,145	36,015,879
Public Works	13,962,704	16,653,193	-	-	13,962,704	16,653,193
Community Development	10,836,985	12,191,892	-	-	10,836,985	12,191,892
Culture and Recreation	11,365,828	12,218,375	-	-	11,365,828	12,218,375
Education	2,673,364	2,846,887	-	-	2,673,364	2,846,887
Interest on long-term debt	5,847,128	4,952,563	-	-	5,847,128	4,952,563
Wastewater Management	-	-	14,878,983	14,705,132	14,878,983	14,705,132
Water Management	-	-	37,026,382	28,452,091	37,026,382	28,452,091
Solid Waste Management	-	-	11,189,579	10,992,656	11,189,579	10,992,656
College of Santa Fe	-	-	4,993,788	1,948,703	4,993,788	-
Railyard Center	-	-	3,055,480	(1,748,903)	3,055,480	1,748,903
Santa Fe Convention Center	-	-	1,062,183	2,950,521	1,062,183	2,950,521
All other proprietary funds	-	-	22,942,425	22,193,926	22,942,425	22,193,926
Total expenses	111,724,105	113,259,857	95,158,835	82,989,932	205,082,940	196,259,789
Increase in net assets before transfers	13,726,896	10,299,381	(3,423,379)	12,477,398	10,303,517	22,776,779
Transfers net	(16,463,102)	(11,714,455)	16,463,102	11,714,456	-	-
Increase (decrease) in net assets	(2,736,206)	(1,415,075)	13,039,723	24,191,854	10,303,517	22,776,779
Beginning balance	266,055,940	268,371,015	341,312,667	317,120,813	609,268,607	585,491,828
Ending balance	\$ 264,219,734	\$ 266,955,940	\$ 354,352,390	\$ 341,312,667	\$ 619,572,124	\$ 608,268,607

CITY OF SANTA FE
Fiscal Year 11/12



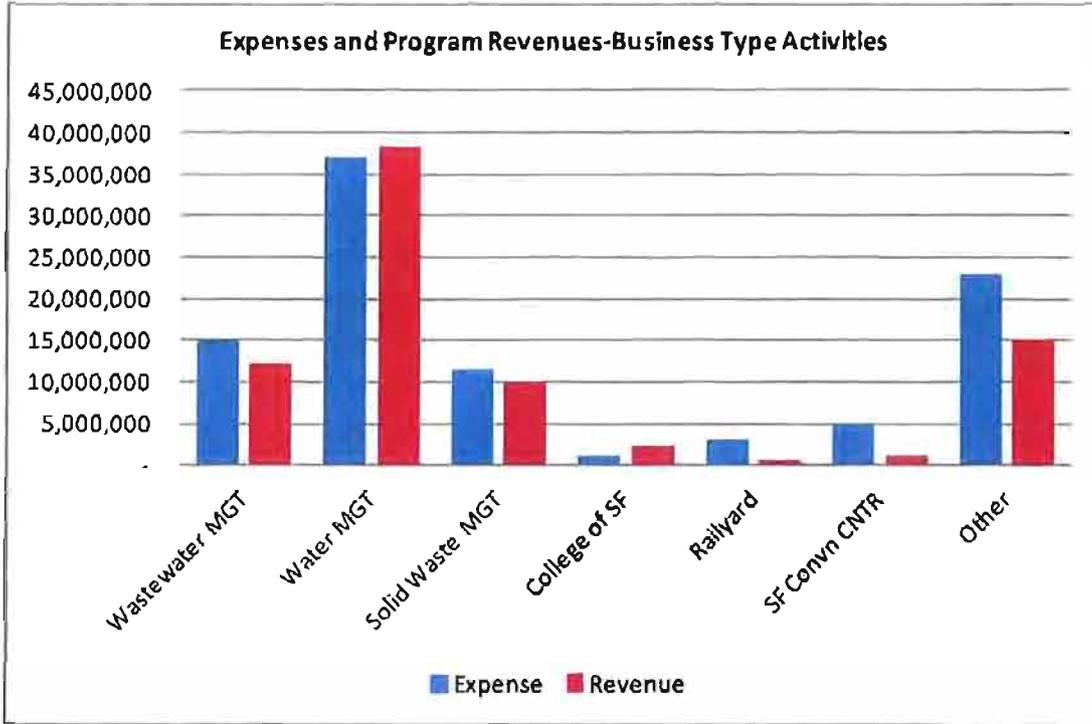
**CITY OF SANTA FE
Fiscal Year 11/12**

Revenue by Source - Governmental Activity



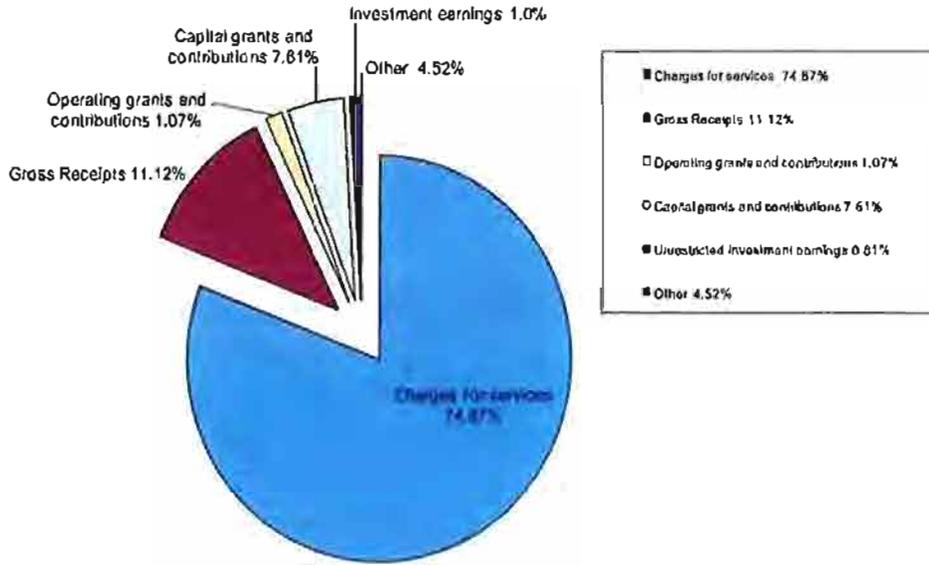
Business-type activities. Business-type activities increased net assets by \$13,039,723. The increase, net of transfers from Governmental activities, was (\$3,423,379). Transfers from Governmental activities total \$16,463,102. In 2012 the Water rate increase was the fourth of a 5 year financial plan to increase water rates. Solid Waste has not had a rate increase since 2003. Waste Water has not had a rate increase since 2010. 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 used for large capital projects begin or are completed.

CITY OF SANTA FE
Fiscal Year 11/12



CITY OF SANTA FE
Fiscal Year 11/12

Revenue by Source- Business-Type Activities



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, *unassigned 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 \$84,208,632 an increase of \$10,285,788 in comparison with the prior year. Most of the ending fund balance total amount (\$73,745,505) 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 \$10,845,524 while total fund balance was \$17,760,413. 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 increased by \$1,735,754 during the current fiscal year. A key factor in this increase was the increase in revenues from \$64,061,456 to \$66,540,676 because of an increase in gross receipts tax revenues.

The Debt Service fund has a total fund balance of \$5,512,100 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 \$10,897,222 due to the decrease in general obligation bond proceeds available for park improvements and capital projects 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 \$116,734,843 of which 69% is for water management. In total, net assets for enterprise funds increased by \$13,039,723.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$2,908,858 increase in appropriations) and can be briefly summarized as follows:

- \$ 400,901 increase in general government
- \$ 137,077 increase in public safety
- \$ 30,811 decrease in public works
- \$ 88,888 increase in community development
- \$ 100,418 increase in culture & recreation
- \$ 3,182 decrease in education
- \$1,444,045 decrease in transfers in from other programs
- \$3,659,612 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 1.6% below the final budget in the amount of \$3,701,346. The actual revenues for the General Fund were \$98,688 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, 2012 amounts to \$787,298,360 (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 17% (a 2% 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 \$80,634,708 in both governmental-type and business-type funds. This is a decrease 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.

**CITY OF SANTA FE's Capital Assets
(Net of Depreciation)
For Fiscal Years Ending June 30, 2012 and 2011**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land and Water Rights	\$ 169,939,946	\$ 169,939,946	\$ 39,193,216	\$ 39,178,924	\$ 209,133,162	\$ 209,116,870
Construction in Progress	25,876,710	16,747,696	54,757,998	177,679,207	80,634,708	194,426,903
Art	922,920	922,920	185,971	185,971	1,108,891	1,108,891
Buildings and Systems	44,025,298	45,458,208	287,159,211	152,545,558	311,184,509	188,003,766
Improvements	22,142,631	21,023,799	52,338,878	35,084,481	74,481,509	56,108,280
Sewerlines	-	-	43,859,832	47,510,841	43,859,832	47,510,841
Equipment and Machinery	2,070,957	2,337,665	4,808,395	5,809,162	6,879,352	8,146,827
Furniture and Fixtures	253,407	298,986	19,066	30,284	272,493	329,270
Vehicles	5,929,520	8,641,865	9,098,624	9,080,140	15,028,044	15,622,005
Data Processing and Software	2,711,932	3,383,381	987,443	1,022,056	3,699,375	4,405,437
Traffic Signals	1,583,253	2,201,948	-	-	1,583,253	2,201,948
Streets and Bridges	39,433,432	41,913,576	-	-	39,433,432	41,913,576
Total	\$ 314,800,008	\$ 310,769,890	\$ 472,408,354	\$ 468,124,424	\$ 787,298,350	\$ 778,894,414

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 outstanding debt of \$372,368,040. Of this amount, governmental activity related debt consisted of \$82,630,000 in debt backed by gross receipts tax revenues and lodgers tax, \$17,797,603 in outstanding revenue-backed loans, and \$27,710,000 in outstanding property tax supported general obligation debt. In addition, business type debt backed by specified operational revenue sources consisted of \$197,125,000 in bonds and \$46,515,123 in loans.

For Fiscal Years Ending June 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenue Bonds	\$ 82,630,000	\$ 71,545,000	\$ 197,125,000	\$ 206,040,000	\$ 279,755,000	\$ 277,585,000
General Obligation Loans	\$ 17,797,603	\$ 18,736,291	\$ 46,515,123	\$ 47,105,437	\$ 64,903,040	\$ 65,841,728
TOTAL	\$ 128,137,603	\$ 119,231,291	\$ 343,640,123	\$ 253,145,437	\$ 372,368,040	\$ 372,376,728

As of June 30, 2012, the City had nine outstanding issues that were not insured. Underlying ratings for the different types of debt issues by the City are:

Bond Type	S&P/Moody's/Fitch 06/30/2012	S&P/Moody's/Fitch Current
General Obligation	AA/Aa2/AA+	AA/Aa2/AA+
Senior Lien Gross Receipts Tax	AA+/Aa3/AA+	AA+/Aa3/AA+
Water System Revenues	AA+/Aa2/AAA	AA+/Aa2/AAA
Subordinate Lien Gross Receipts Tax	AA/A1/AA	AA/A1/AA

Source: First Southwest Company

As of March 1, 2012, the Series 1997B Gross Receipts tax (Subordinate Lien) Wastewater Systems Variable Rate Revenue bonds were refunded by the Series 2012B Gross Receipts Tax (Subordinate Lien) Wastewater System Refunding Revenue Bonds. The refunding issue converted the variable rate bonds to fixed rate bonds, and was rated AA by Standard and Poor's and AA by Fitch.

Seven 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 6/30/2012	S&P/Moody's Current
AMBAC	Withdrawn/Withdrawn	Withdrawn/Withdrawn
MBIA	B/B3	B/B3
PSA/Assured Guaranty Municipal	AA-/Aa3	AA-/Aa3
XL Capital Assurance/ Syncora Guarantee	Withdrawn/Ca	Withdrawn/Ca

Source: First Southwest Company

The significant drops in the ratings of the insurance firms have made the City's underlying ratings equal to or higher than those of the bond insurers.

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 \$144 million, which is significantly in excess of the City's total outstanding general obligation bond capital improvement project debt of \$27,710,000.

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 2012 unemployment rate for Santa Fe averaged 5.19% and compares favorably with other Cities in New Mexico. The State's average 2012 unemployment rate was 6.6% with the national average rate in 2012 of 8.08%.

- During the latter part of 2009 and into 2010, significant declines in fair value occurred in worldwide securities and various real estate markets. The City witnessed a significant impact of these declines on gross receipts tax, lodgers' tax and certain other revenue categories through 2011. City management responded with multiple actions including budget realignment and evaluation, project and policy adjustments, and review of future plans and budgets. In 2012 economic conditions improved and reflected marked, slow and steady improvement. For example, 2012 data from the Santa Fe Association of Realtors and their multiple listing service, indicated improvement in the city's housing market in terms of the number of sales of homes. Sales went from 571 in 2011 to 694 in 2012, which is a 22% increase. All of the factors were considered in preparing the City's budget for fiscal year 11/12.

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. 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, 2012

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, investments and cash equivalents	\$ 63,944,982	\$ 113,955,834	\$ 177,900,816
Receivables (net of allowance for uncollectables)	4,751,836	9,784,551	14,536,387
Internal balances	11,863,454	(11,863,454)	-
Inventories	145,699	281,988	427,687
Prepaid expenses	60,000	12,498,580	12,558,580
Deferred charges	1,914,577	3,970,966	5,885,543
Restricted assets:			
Temporarily restricted:			
Cash, investments and cash equivalents	9,276,352	6,483,099	15,759,451
Interest receivable	105,629	179,063	284,692
Intergovernmental receivable	16,567,112	6,195,346	22,762,458
Capital assets (net of accumulated depreciation):			
Land, land rights, and water rights	169,939,946	39,193,216	209,133,162
Buildings and structures	57,906,587	307,927,671	355,834,258
Improvements	46,697,665	108,231,951	154,929,616
Sewerlines and Utility Systems	-	103,021,987	103,021,987
Equipment and machinery	16,554,479	20,491,866	37,046,345
Furniture and fixtures	857,975	684,536	1,542,511
Vehicles	21,045,582	25,166,842	46,212,424
Intangible plant	-	57,625	57,625
Art	922,920	185,971	1,108,891
Data processing equipment/software	11,746,528	3,273,551	15,020,077
Traffic signals	23,222,048	-	23,222,048
Streets and bridges	193,564,150	-	193,564,150
Construction in progress	25,876,710	54,757,998	80,634,708
Accumulated depreciation	(253,444,582)	(190,584,860)	(444,029,442)
Total assets	<u>423,519,647</u>	<u>613,894,327</u>	<u>1,037,413,974</u>
LIABILITIES			
Accounts payable and other current liabilities	13,349,987	3,328,889	16,678,876
Accrued interest payable	833,580	900,943	1,734,523
Deferred revenue			
Unearned revenue	2,689,376	316,000	3,004,376
Liabilities from restricted cash	-	1,949,126	1,949,126
Longterm liabilities:			
Due within one year	10,292,577	9,695,890	19,988,467
Due in more than one year	132,134,393	243,352,089	375,486,482
Total liabilities	<u>159,299,913</u>	<u>259,541,937</u>	<u>418,841,850</u>
NET ASSETS			
Invested in capital assets, net of related debt	186,752,403	231,134,448	417,886,851
Restricted for:			
Debt service	3,817,973	6,483,099	10,301,072
State mandated cash balance	5,458,379	-	5,458,379
Special Revenue	17,233,871	-	17,233,871
Capital Project	26,086,472	-	26,086,472
Unrestricted	24,870,636	116,734,843	141,605,479
Total net assets	<u>\$ 284,219,734</u>	<u>\$ 354,352,390</u>	<u>\$ 618,572,124</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, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 29,053,951	\$ 2,901,696	\$ 173,174	\$ 81,519	\$ (25,897,562)	\$ -	\$ (25,897,562)
Public safety	38,164,145	5,726,753	1,010,879	1,208,912	(30,219,601)	-	(30,219,601)
Public works	13,982,704	1,807,757	501,864	6,896,998	(5,776,085)	-	(5,776,085)
Community development	10,636,985	84,441	2,658,918	92,838	(7,800,788)	-	(7,800,788)
Culture and recreation	11,365,828	575,482	30,389	429,170	(10,330,787)	-	(10,330,787)
Education	2,673,364	-	-	-	(2,673,364)	-	(2,673,364)
Interest on long-term debt	5,847,128	-	-	-	(5,847,128)	-	(5,847,128)
Total governmental activities	111,724,105	11,096,129	4,375,224	7,707,437	(88,545,315)	-	(88,545,315)
Business-type activities:							
Wastewater Management	14,878,988	12,382,263	-	-	-	(2,496,725)	(2,496,725)
Water Management	37,026,382	37,709,064	-	487,250	-	1,169,932	1,169,932
Railyard Center	3,065,480	574,930	-	-	-	(2,490,550)	(2,490,550)
Santa Fe Convention Center	4,993,798	1,020,386	-	11,234	-	(3,962,178)	(3,962,178)
Solid Waste Management	11,189,579	10,144,062	-	40,000	-	(1,005,517)	(1,005,517)
College of Santa Fe	1,062,183	2,350,000	-	-	-	1,287,817	1,287,817
Municipal Recreation Complex	1,781,075	1,118,569	-	-	-	(662,506)	(662,506)
Parking Fund	4,923,577	4,627,583	-	-	-	(295,994)	(295,994)
Transit and Airport Systems	11,686,081	2,424,594	1,334,570	3,787,053	-	(4,139,864)	(4,139,864)
Genoveva Chavez Community Center	4,551,692	1,869,036	-	75,367	-	(2,607,289)	(2,607,289)
Total business-type activities	95,158,835	74,220,487	1,334,570	4,400,904	-	(15,202,874)	(15,202,874)
Total primary government	\$ 206,882,940	\$ 85,316,616	\$ 5,709,794	\$ 12,108,341	(88,545,315)	(15,202,874)	(103,748,189)
General Revenues:							
Property taxes					8,317,569	-	8,317,569
Sales taxes					80,000,069	10,955,392	90,955,461
Lodger taxes					7,881,259	-	7,881,259
Franchise taxes					2,535,193	-	2,535,193
Motor fuel taxes					1,772,322	-	1,772,322
Cigarette taxes					91	-	91
Investment earnings					515,681	840,509	1,356,190
Miscellaneous revenues					1,176,732	(57,111)	1,119,621
Gain (Loss) on sale of capital assets					73,295	40,705	114,000
Internal Transfers					(16,463,102)	16,463,102	-
Total general revenues and transfers					85,809,109	28,242,597	114,051,706
Change in net assets					(2,736,206)	13,039,723	10,303,517
Net assets, beginning					266,955,940	341,312,667	608,268,607
Net assets, ending					\$ 264,219,734	\$ 354,352,390	\$ 618,572,124

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, 2012

	Major funds			Other Non Major Funds	Total Governmental Funds
	General Fund	Debt Service	1/2 % Gross Receipts Tax		
Assets					
Cash and investments	\$ -	\$ 1,683,906	\$ 602,729	\$ 48,065,681	\$ 50,352,316
Restricted for debt service payments	-	3,817,973	-	-	3,817,973
Restricted for state mandated cash balance	5,458,379	-	-	-	5,458,379
Restricted for endowment	-	-	-	250,000	250,000
Receivables:					
State-shared taxes	6,470,646	-	2,553,189	2,364,150	11,387,965
Local taxes	3,201,431	-	-	-	3,201,431
Property taxes	30,580	23,339	-	-	53,919
Interest	10,835	26,912	-	49,080	86,827
Ambulance (net of allowances)	982,976	-	-	-	982,976
Grants-restricted	31,532	-	-	1,892,265	1,923,797
Other receivables (net of allowance)	53,912	-	-	3,714,948	3,768,860
Due from other funds	4,792,468	-	8,084,545	613,804	13,490,817
Supplies inventory	145,699	-	-	-	145,699
Total Assets	\$ 21,178,458	\$ 5,552,130	\$ 11,240,443	\$ 56,949,928	\$ 94,920,959
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,127,277	\$ 30	\$ 13,206	\$ 1,921,946	\$ 3,062,459
Compensated absences payable	257,680	-	-	24,322	282,002
Accrued wages payable	724,054	-	33,520	279,096	1,036,670
Due to other funds	-	-	-	1,627,363	1,627,363
Deferred revenue:					
Unearned revenue	81,029	-	-	2,608,347	2,689,376
Other current liabilities	1,228,005	40,000	-	746,452	2,014,457
Total liabilities	3,418,045	40,030	46,726	7,207,526	10,712,327
Fund balances:					
Fund balance:					
Non-Spendable	145,699	-	11,193,717	250,000	11,589,416
Spendable					
Restricted	5,458,379	1,040,137	-	43,070,343	49,568,859
Committed	1,310,811	4,471,963	-	739,738	6,522,510
Assigned	-	-	-	6,064,720	6,064,720
Unassigned	10,845,524	-	-	(382,397)	10,463,127
Total Fund Balances	17,760,413	5,512,100	11,193,717	49,742,402	84,208,632
Total liabilities and fund balances	\$ 21,178,458	\$ 5,562,130	\$ 11,240,443	\$ 56,949,928	

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.	314,877,886
Other long-term assets are not available to pay for current-period expenditures and, therefore are not reported in the funds.	1,914,577
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	6,123,906
Accrued interest payable	(833,580)
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.	(137,016,408)
Other long-term liabilities-compensated balances	(5,055,279)
Net assets of governmental activities	\$ 264,219,734

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, 2012

	Major Funds				Total Governmental Funds
	General Fund	Debt Service	1/2 % Gross Receipts Tax	Other Non Major Funds	
Revenues:					
Taxes					
Gross receipts	\$ 52,229,275	\$ -	\$ 14,814,838	\$ 12,958,156	\$ 80,000,069
Cigarette	60	-	-	31	91
Motor	353,124	-	-	1,419,199	1,772,323
Lodgers	-	-	-	7,881,259	7,881,259
Property	3,042,360	2,641,524	-	2,633,686	8,317,569
Franchise	2,516,009	-	-	19,183	2,535,192
Licenses and permits	2,341,436	-	-	-	2,341,436
Intergovernmental revenues	180,880	-	-	11,921,801	12,082,661
Fees and charges for services	6,251,218	-	-	3,503,474	8,754,693
Fines and forfeitures	370,072	-	-	-	370,072
Rents, royalties and concessions	58,808	-	-	149,084	205,890
Investment income	64,978	118,827	-	225,196	408,800
Land sales	-	-	-	90,939	90,939
Other revenues	154,377	27,525	349	406,974	589,225
Total revenues	66,540,676	2,787,676	14,814,987	41,206,980	125,350,319
Expenditures:					
Current					
General government	15,990,087	-	2,437,698	4,558,740	22,986,525
Public safety	29,934,852	-	-	6,338,885	36,273,737
Public works	2,926,239	-	-	3,295,847	6,222,086
Community development	4,426,170	-	-	5,727,985	10,154,155
Culture and recreation	8,908,281	-	-	3,637,374	10,645,655
Education	2,870,215	-	-	-	2,870,215
Total current expenditures	62,865,844	-	2,437,698	23,558,831	88,852,373
Capital outlay:					
General government	151,180	-	99,035	938,408	1,188,621
Public safety	83,197	-	-	2,236,864	2,320,161
Public works	2,950	-	-	7,123,887	7,126,837
Community development	2,518	-	-	398,004	400,520
Culture and recreation	108,758	-	-	7,048,235	7,156,991
Education	3,149	-	-	-	3,149
Total capital outlay expenditures	351,748	-	99,035	17,745,498	18,196,279
Debt service:					
Principal payments	-	23,538,688	-	-	23,538,688
Interest and fiscal agent fees	-	6,202,697	-	-	6,202,697
Bond issuance costs	-	401,987	-	-	401,987
Total expenditures	63,207,592	30,143,372	2,536,733	41,304,327	137,192,024
Excess (deficiency) of revenues over expenditures	3,333,084	(27,355,696)	12,278,254	(97,347)	(11,841,705)
Other financing sources (uses):					
Transfers in	4,998,397	30,266,745	1,229,386	40,845,950	77,138,478
Transfers out	(6,593,727)	(51,557,023)	(14,973,818)	(19,835,368)	(92,759,737)
HUD loan payments (flow through)	-	30,873	-	-	30,873
Issuance of bonds					
Face value of bonds issued	-	32,725,000	-	-	32,725,000
Premium on issuance of bond	-	4,092,779	-	-	4,092,779
Total other financing sources (uses)	(1,597,330)	16,458,474	(13,744,233)	21,010,582	22,127,493
Net change in fund balances	1,735,754	(10,897,222)	(1,465,979)	20,913,235	10,285,788
Fund balances, beginning of year	18,024,669	16,408,322	12,659,696	28,829,167	73,922,844
Fund balances, end of year	\$ 17,760,413	\$ 5,512,100	\$ 11,193,717	\$ 49,742,402	\$ 84,208,632

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, 2012

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

Net change in fund balances—total governmental funds	\$ 10,285,788
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.	4,240,046
The net effect of various miscellaneous transactions involving capital assets decrease in net assets:	(105,635)
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.	(13,604,449)
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.	(579,266)
Internal service funds are used by management to charge the costs of insurance to individual funds.	(3,073,372)
The net revenue of certain activities of internal service funds is reported with governmental activities.	100,682
Change in net assets of governmental activities	<u>\$ (2,736,206)</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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Texas:				
State-shared taxes:				
Gross receipts	\$ 35,578,200	\$ 35,578,200	\$ 37,414,637	\$ 1,836,437
Cigarette	-	-	80	80
Automobile	320,000	320,000	353,124	33,124
Total state-shared taxes	35,898,200	35,898,200	37,767,821	1,869,621
Local taxes:				
Gross receipts	14,053,519	14,053,519	14,814,638	781,119
Property	2,888,155	2,883,105	3,042,360	159,256
Total local taxes	16,939,674	16,936,624	17,856,998	920,374
Regulatory fees:				
Franchise	2,330,000	2,330,000	2,518,009	188,009
Total fees	2,330,000	2,330,000	2,518,009	188,009
Other Revenues:				
Licenses and permits	2,403,823	2,403,823	2,341,438	(62,387)
Intergovernmental revenue	90,000	198,597	180,860	(37,737)
Fees and charges for services	8,321,082	8,032,082	5,251,219	(2,780,843)
Fines and forfeitures	405,000	405,000	370,072	(34,928)
Royalties, rents and concessions	31,300	31,300	56,908	25,608
Investment income	67,922	72,422	64,978	(7,444)
Other revenues	-	331,336	154,377	(176,959)
Total Other Revenue	11,319,107	11,474,540	8,399,848	(3,074,692)
Total revenues	66,488,981	66,639,364	66,540,676	(98,688)
Expenditures:				
General government:				
Current:				
General government	2,763,377	2,817,139	1,754,095	1,063,044
Municipal court	1,310,869	1,289,758	1,370,384	(80,626)
City clerk	1,206,855	1,198,964	892,225	308,739
Information technology and telecommunication	3,167,875	3,159,733	2,582,208	597,527
Personnel	921,542	920,292	718,204	202,088
Finance	3,256,190	3,402,430	4,794,378	(1,391,948)
Planning	1,785,440	1,790,530	1,793,304	(2,774)
Facilities maintenance	2,729,360	2,674,940	1,851,745	823,195
Fleet maintenance	592,483	587,703	253,546	334,157
Total current	17,733,581	17,841,489	15,990,087	1,851,402
Capital outlay:				
General government	13,378	246,021	110,101	135,920
Municipal Court	1,560	22,829	22,723	(84)
City clerk	8,000	39,670	3,200	36,470
Information technology and telecommunication	-	6,688	765	4,921
Personnel	-	1,250	1,244	6
Finance	1,700	1,600	3,138	(1,638)
Planning	8,515	8,515	5,010	1,505
Facilities maintenance	2,700	5,585	4,999	586
Fleet Maintenance	-	-	-	-
Total capital outlay	35,853	328,856	151,180	177,676
Total general government	17,789,444	18,170,345	16,141,267	2,029,078

(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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety:				
Current:				
Police	18,227,863	18,052,112	17,327,173	724,939
Fire	12,239,380	12,489,408	12,607,879	(118,271)
Total current	30,467,043	30,541,520	29,934,852	606,668
Capital outlay:				
Police	-	3,000	2,980	20
Fire	20,065	79,665	80,217	(552)
Total capital outlay	20,065	82,665	83,197	(532)
Total public safety	30,487,108	30,624,185	30,018,049	606,136
Public works:				
Current:				
Administration	279,827	279,827	115,609	164,218
Highways, streets and roads	301,284	297,268	200,169	97,097
Traffic engineering	2,505,906	2,476,123	2,610,461	(134,338)
Total current	3,087,027	3,053,216	2,926,239	126,977
Capital outlay:				
Traffic Engineering	-	3,000	2,950	50
Total capital outlay	-	3,000	2,950	50
Total public works	3,087,027	3,056,216	2,929,189	127,027
Community development:				
Current:				
Human needs	1,183,017	1,295,843	772,018	523,825
Senior citizens	-	-	115	(115)
Community services	1,114,732	1,114,732	1,146,615	(31,883)
Inspection	1,436,937	1,417,008	1,444,310	(27,302)
Zoning	1,258,651	1,254,642	1,063,112	191,530
Total current	4,993,337	5,082,225	4,426,170	658,055
Capital outlay:				
Human needs	400	400	304	96
Inspection	2,600	2,600	566	2,035
Zoning	7,105	7,105	1,647	5,458
Total capital outlay	10,105	10,105	2,516	7,589
Total community development	5,003,442	5,092,330	4,428,686	663,644
Culture and recreation:				
Current:				
Parks/grounds maintenance	5,128,110	5,132,469	5,007,407	125,062
Recreation	2,000,999	1,984,453	1,900,874	93,579
Total current	7,129,109	7,126,922	6,908,281	218,641
Capital outlay:				
Parks/grounds maintenance	12,535	127,294	102,844	24,450
Recreation	21,357	9,303	5,912	3,391
Total capital outlay	33,892	136,597	108,756	27,841
Total culture and recreation	7,163,001	7,263,519	7,017,037	246,482

(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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Education:				
Current:				
Libraries	2,699,205	2,699,116	2,670,215	28,901
Total current	<u>2,699,205</u>	<u>2,699,116</u>	<u>2,670,215</u>	<u>28,901</u>
Capital outlay:				
Libraries	6,320	3,227	3,149	78
Total capital outlay	<u>6,320</u>	<u>3,227</u>	<u>3,149</u>	<u>78</u>
Total education	<u>2,705,525</u>	<u>2,702,343</u>	<u>2,673,364</u>	<u>28,979</u>
Total expenditures	66,215,647	66,908,938	63,207,592	3,701,346
Excess (deficiency) of revenues over expenditures	271,334	(269,574)	3,333,084	3,602,658
Other financing sources (uses):				
Transfers in	8,440,442	4,986,397	4,986,397	.
Transfers out	(8,537,977)	(10,197,589)	(8,583,727)	3,603,862
Total other financing sources (uses)	(97,535)	(5,201,192)	(1,597,330)	3,603,862
Net change in fund balance	173,798	(5,470,766)	1,735,754	7,208,520
Fund balance, beginning of year	24,911,584	12,729,249	16,024,659	3,295,410
Fund balance, end of year	<u>\$ 25,085,383</u>	<u>\$ 7,258,483</u>	<u>\$ 17,760,413</u>	<u>\$ 10,501,930</u>

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CITY OF SANTA FE, NEW MEXICO
Statement of Net Assets
Enterprise Funds
June 30, 2012

Business-type Activities - Enterprise Funds

	Waste Water Management	Water Management	Solid Waste Management	Railyard Property
Assets				
Current assets:				
Cash, investments and cash equivalents	\$ 20,794,119	\$ 67,852,478	\$ 9,021,917	\$ 1,471,378
Restricted cash, cash equivalents and investments:				
Restricted for debt service payments	185,185	5,987,680	158,532	111,759
Grants receivable	10,452	864,892	-	1
Receivable (net of allowances)				
State-shared taxes	315,387	1,259,328	315,386	-
Accounts	1,822,933	6,321,771	1,249,281	-
Interest receivable	26,648	120,065	10,746	1,627
Prepaid expenses	-	12,183,280	-	-
Inventory	-	281,958	-	-
Total current assets	22,964,704	94,851,298	10,785,841	1,584,665
Noncurrent assets:				
Deferred charges (net of amortization)	658,216	2,303,039	231,026	175,770
Capital assets:				
Land and land rights	25,498	2,472,660	-	20,145,837
Water rights	-	932,658	-	-
Buildings and structures	28,817,899	126,512,468	361,318	8,351,011
Sewerlines and utility systems	23,700,758	79,291,411	-	-
Improvements	31,190,863	19,819,849	1,111,291	23,416,129
Furniture and fixtures	13,344	585,001	4,928	-
Equipment and machinery	2,530,741	12,684,762	654,888	-
Vehicles	2,753,858	1,808,657	8,155,228	-
Intangible plant	-	67,825	-	-
Data processing equipment /software	228,522	1,798,020	64,747	-
Art	-	-	-	-
Construction in progress	1,491,031	27,827,359	-	5,649,954
Less accumulated depreciation	(58,553,994)	(66,514,108)	(6,703,152)	(5,447,326)
Total capital assets (net of accumulated depreciation)	32,198,318	207,276,382	3,839,243	52,115,805
Total noncurrent assets	32,764,534	209,579,421	3,870,269	52,291,376
Total assets	55,719,238	304,430,719	14,626,110	63,876,040
Liabilities				
Current liabilities:				
Accounts payable	189,106	627,542	257,482	63,722
Miscellaneous payable	37,205	147,273	33,517	-
Compensated absences payable	28,818	91,925	39,828	-
Accrued wages payable	73,780	122,463	69,336	-
Benefits payable	-	-	-	-
Claims and judgement payable	-	-	-	-
Bonds payable (net of unamortized discounts)	1,529,927	3,222,975	803,110	307,342
Notes payable	-	860,285	-	66,959
Accrued interest payable	70,802	482,792	43,174	48,788
Deferred revenue	-	-	-	-
Unearned revenue	-	-	-	-
Customer deposits payable	325,698	1,087,173	250,076	-
Other payable	-	-	-	-
Intangible deferred credit	-	823,697	-	-
Due to other funds	-	-	-	-
Total current liabilities	2,252,036	7,426,185	1,498,523	484,811
Noncurrent liabilities:				
Bonds and Notes payable (net of unamortized discounts)	20,726,044	98,527,553	10,369,585	10,725,446
Notes Payable	-	15,533,483	-	1,184,417
Compensated absences payable	308,638	408,384	247,018	-
Due to other funds	-	7,524,545	-	3,603,862
Total noncurrent liabilities	21,031,680	121,991,945	10,618,603	15,513,725
Total liabilities	23,283,718	129,418,130	12,113,126	16,008,536
Net Assets				
Invested in capital assets, net of related debt	9,943,347	89,132,106	(7,533,452)	39,038,852
Restricted for debt service	185,185	5,987,680	158,532	111,759
Unrestricted	22,298,990	79,912,813	9,887,904	(1,272,807)
Total net assets	\$ 32,435,522	\$ 175,012,589	\$ 2,512,984	\$ 37,877,604

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	
\$ 4,454,881	\$ 5,811,304	\$ 4,549,970	\$ 113,855,834	\$ 13,342,668	Assets
49,843	-	-	6,483,099	-	Current assets:
584,520	195,000	2,650,822	4,305,287	-	Cash, investments and cash equivalents
-	-	-	1,890,059	-	Restricted cash, cash equivalents and investments:
315,000	-	275,588	9,784,551	-	Restricted for debt service payments
7,129	9,123	3,826	179,063	18,802	Grants receivable
315,300	-	-	12,498,580	60,000	Receivable (net of allowances)
-	-	-	281,888	-	State-shared taxes
5,726,553	8,015,427	7,479,973	149,378,461	-	Accounts
					Interest receivable
					Prepaid expenses
					Inventory
				13,421,468	Total current assets
					Noncurrent assets:
459,127	-	245,788	3,970,888	-	Deferred charges (net of amortization)
-	11,164,785	4,451,778	38,260,558	-	Capital assets:
-	-	-	932,868	-	Land and land rights
65,071,880	21,824,038	56,889,259	307,927,671	-	Water rights
-	-	29,820	103,021,987	-	Buildings and structures
8,843	-	32,693,619	108,231,951	-	Sewerlines and utility systems
258,934	-	72,322	684,536	34,818	Improvements
29,815	-	4,362,543	20,491,868	6,812	Furniture and fixtures
-	-	12,419,483	25,168,842	35,829	Equipment and machinery
104,746	-	-	57,825	-	Vehicles
5,000	-	1,087,518	3,273,551	1,548	Intangible plant
335,738	14,590,833	180,871	185,971	-	Data processing equipment /software
(5,040,869)	(2,481,921)	(45,843,360)	(190,584,860)	(68,987)	Art
					Construction in progress
					Less accumulated depreciation
60,774,867	45,197,835	71,206,104	472,408,364	12,120	Total capital assets (net of accumulated depreciation)
61,233,994	45,197,835	71,451,892	476,379,320	12,120	Total noncurrent assets
66,980,547	51,213,262	78,931,886	626,757,781	13,433,688	Total assets
					Liabilities
36,652	-	600,060	1,773,564	150,860	Current liabilities:
-	-	31,009	249,004	-	Accounts payable
-	-	-	158,841	73,281	Miscellaneous payable
9,325	1,287	208,463	482,824	12,452	Compensated absences payable
-	-	-	-	-	Accrued wages payable
-	-	-	-	-	Benefits payable
1,219,365	-	882,266	7,965,005	7,072,768	Claims and judgement payable
-	645,000	-	1,572,244	-	Bonds payable (net of unamortized discounts)
109,583	131,885	38,319	900,943	-	Notes payable
315,000	-	-	315,000	-	Accrued interest payable
267,915	-	38,364	1,949,126	-	Deferred revenue
-	-	-	-	-	Unearned revenue
-	-	-	-	-	Customer deposits payable
-	-	-	-	221	Other payable
-	-	735,047	823,857	-	Intangible deferred credit
-	-	-	735,047	-	Due to other funds
1,957,840	777,952	2,629,548	18,924,895	7,309,682	Total current liabilities
					Noncurrent liabilities:
47,318,023	27,725,000	9,355,139	224,743,790	-	Bonds and Notes payable (net of unamortized discou
-	-	-	18,717,880	-	Notes Payable
28,214	-	902,187	1,890,419	-	Compensated absences payable
-	-	-	11,128,407	-	Due to other funds
47,344,237	27,725,000	10,257,326	254,480,496	-	Total noncurrent liabilities
49,302,077	28,502,952	12,786,854	271,405,391	7,309,682	Total liabilities
					Net Assets
17,594,919	21,413,542	61,805,334	231,134,448	-	Invested in capital assets, net of related debt
49,843	-	-	6,483,099	-	Restricted for debt service
73,608	1,299,708	4,539,677	116,734,843	6,123,908	Unrestricted
\$ 17,659,470	\$ 22,710,310	\$ 68,145,011	\$ 354,352,390	\$ 6,123,908	Total net assets

CITY OF SANTA FE, NEW MEXICO
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
For the Year Ended June 30, 2012

	Business-type Activities-Enterprise Funds			
	Waste Water Management	Water Management	Solid Waste Management	Rallyard Property
Operating revenues:				
User fees	\$ 12,119,488	\$ 37,216,821	\$ 10,076,840	\$ -
Facilities rentals	-	-	-	574,930
Other revenue	262,775	492,243	87,222	-
Total operating revenues	12,382,263	37,709,064	10,144,062	574,930
Operating expenses:				
Salaries, wages and benefits	4,513,741	7,614,748	4,021,654	-
Contractual services and utilities	2,350,493	6,299,618	3,416,761	133,887
Repairs and maintenance	529,257	467,321	434,218	-
Supplies	581,658	734,489	786,774	-
Capital outlay-inventory exempt items	22,000	154,612	169,870	-
Depreciation	4,795,852	8,757,971	759,255	2,436,577
Amortization expense	34,638	1,006,582	21,163	12,555
Insurance	321,082	341,461	157,291	-
Bad debt expense	268,876	100,295	187	-
Other	969,051	9,110,859	912,836	9,244
Total operating expenses	14,388,648	34,587,956	10,660,008	2,592,263
Operating income (loss)	(2,004,385)	3,121,108	(515,946)	(2,017,333)
Non-operating revenues (expenses):				
Investment income	135,473	544,310	53,411	6,612
Intergovernmental				
State-shared taxes	1,829,934	7,295,554	1,829,904	-
Grants	-	487,250	40,000	-
Gain (loss) on sale of capital assets	2,747	960	22,734	-
Donated Land and Building	-	-	-	-
Interest expense	(527,266)	(2,586,451)	(547,881)	(545,559)
Prem(Discount) debt service expense	34,927	148,025	18,110	72,342
Other non-operating expenses	(11,848)	(34,858)	(4,820)	(683)
Total non-operating revenues (expenses)	1,463,967	5,854,792	1,411,858	(467,288)
Income(loss) before transfers	(540,418)	8,975,900	895,712	(2,484,621)
Transfers in	2,688,639	-	14,000	1,323,473
Transfers out	(3,496,972)	(221,000)	(75,000)	-
Change in net assets	(1,348,751)	8,754,900	834,712	(1,161,148)
Total net assets - beginning of year	33,784,273	186,257,689	1,878,272	39,038,652
Total net assets-end of year	\$ 32,435,522	\$ 175,012,589	\$ 2,512,984	\$ 37,877,504

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	
\$ 422,315	\$ -	\$ 8,693,387	\$ 8,528,851	\$ -	Operating revenues:
-	-	-	574,930	-	User fees
598,071	2,350,000	1,346,395	5,116,706	21,379,601	Facilities rentals
1,020,386	2,350,000	10,039,782	74,220,487	21,379,601	Other revenue
					Total operating revenues
					Operating expenses:
598,714	132,659	12,254,570	29,136,086	804,415	Salaries, wages and benefits
395,894	3,749	1,827,856	14,428,058	1,324,427	Contractual services and utilities
120,679	-	657,357	2,208,832	484	Repairs and maintenance
51,013	-	1,016,011	3,149,945	29,436	Supplies
27,169	-	531,158	904,809	910	Capital outlay-inventory exempt items
1,299,840	876,962	3,492,331	22,418,788	14,388	Depreciation expense
19,961	-	19,670	1,114,569	-	Amortization expense
85,035	-	622,020	1,526,889	22,275,839	Insurance
-	-	(5,362)	383,996	-	Bad debt expense
218,559	275	2,077,781	13,296,604	3,073	Other
2,814,664	1,013,645	22,493,392	88,548,576	24,452,972	Total operating expenses
(1,794,278)	1,336,355	(12,453,610)	(14,328,089)	(3,073,371)	Operating income (loss)
					Non-operating revenues (expenses):
34,980	46,951	18,772	840,509	106,680	Investment income
-	-	-	10,955,392	-	Intergovernmental
11,234	-	5,196,990	5,735,474	11,445	State-shared taxes
-	-	14,264	40,706	(17,644)	Grants
-	-	-	-	-	Gain (loss) on sale of capital assets
(2,266,499)	(48,538)	(466,320)	(6,980,314)	-	Donated Land and Building
89,365	-	17,286	380,055	-	Interest expense
(3,197)	-	(1,707)	(67,111)	-	Prem(Discount) debt service expense
					Other non-operating expenses
(2,136,117)	(1,587)	4,779,285	10,904,710	100,681	Total non-operating revenues (expenses)
(3,930,395)	1,334,768	(7,674,325)	(3,423,379)	(2,972,690)	Income(loss) before transfers
4,199,468	-	12,809,845	21,035,425	500,000	Transfers in
(145,522)	(38,000)	(595,829)	(4,572,323)	(1,341,843)	Transfers out
123,551	1,296,768	4,539,691	13,039,723	(3,814,533)	Change in net assets
17,439,963	16,606,463	61,605,320	338,410,632	-	Total net assets - beginning of year
\$ 17,658,470	\$ 22,710,310	\$ 66,145,011	\$ 354,352,390	\$ 6,123,906	Total net assets, end of year

CITY OF SANTA FE, NEW MEXICO
Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2012

	Business-type Activities-Enterprise Funds			
	Waste Water Management	Water Management	Solid Waste Management	Railyard Property
Cash flows from operating activities:				
Cash received from customers	\$ 12,440,838	\$ 38,127,056	\$ 10,324,389	\$ 574,930
Cash received from interfund services provided and used	-	-	-	-
Cash payments to suppliers for goods and services	(4,090,379)	(16,643,444)	(4,829,276)	(143,131)
Cash paid for interfund services provided and used	(884,754)	(1,350,689)	(804,589)	-
Cash payments to employees for services	(4,675,887)	(7,787,609)	(4,185,185)	-
Net cash provided (used) by operating activities:	2,789,818	12,345,414	505,319	431,799
Cash flows from noncapital financing activities:				
Intergovernmental	1,832,321	9,796,174	1,872,224	4,023,862
Transfers-in from other funds	2,888,639	150,748	14,000	1,323,473
Transfers-out to other funds	(3,496,972)	(371,746)	(75,000)	-
Net cash provided (used) by noncapital financing activities:	1,023,988	9,575,174	1,811,224	5,347,335
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,551,610)	(11,921,472)	(842,349)	(3,578,855)
Proceeds (Loss) from sale of capital assets	2,747	960	22,734	-
Principal paid on revenue bond maturities and notes payable	(583,842)	(2,609,291)	(760,000)	(293,880)
Interest paid on revenue bonds and notes payable	(1,455,073)	(4,042,703)	(581,411)	(546,883)
Intergovernmental payments	-	(3,100,000)	-	-
Net cash used for capital and related financing activities:	(3,667,778)	(21,672,506)	(2,171,026)	(4,419,496)
Cash flows from investing activities:				
Interest and dividends on investments	140,385	550,958	56,337	6,288
Net cash provided by investing activities:	140,385	550,958	56,337	6,288
Net increase (decrease) in cash and cash equivalents:	388,413	799,040	201,854	1,365,924
Cash, investments and cash equivalents at beginning of year:	20,602,891	73,021,118	8,978,595	217,213
Cash, investments and cash equivalents at end of year:	\$ 20,989,304	\$ 73,820,158	\$ 9,180,449	\$ 1,583,137
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (2,004,385)	\$ 3,121,108	\$ (515,946)	\$ (2,017,333)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization/bad debt expense	4,830,480	9,764,553	780,418	2,449,132
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	56,375	277,113	180,307	-
(Increase) decrease in prepaid expenses	-	(154,349)	-	-
(Increase) decrease in deferred charges	-	-	-	-
Increase (decrease) in notes payable	-	-	-	-
Increase (decrease) in accounts payable	46,887	(530,120)	207,740	-
Increase (decrease) in miscellaneous payable	(31,481)	(100,909)	(44,880)	-
Increase (decrease) in compensated absences payable	19,325	96,088	7,088	-
Increase (decrease) in accrued wages payable	(181,272)	(288,849)	(170,819)	-
Increase (decrease) in escrow	52,078	140,879	61,211	-
Increase (decrease) in due to other funds	-	-	-	-
(Increase) decrease in claims payable	-	-	-	-
Total adjustments:	4,784,203	9,224,308	1,021,265	2,449,132
Net cash provided (used) by operating activities:	\$ 2,789,818	\$ 12,345,414	\$ 505,319	\$ 431,799

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	
\$ 1,020,388	\$ 2,350,000	\$ 9,983,104	\$ 74,820,483	\$ 21,318,630	Cash flows from operating activities:
-	-	-	-	80,971	Cash received from customers
(1,064,705)	(4,024)	(5,986,100)	(32,771,059)	(23,202,163)	Cash received from interfund services provided and used
(151,548)	-	(1,128,027)	(4,317,507)	-	Cash payments to suppliers for goods and services
(710,722)	(135,999)	(12,771,414)	(30,266,616)	(833,610)	Cash paid for interfund services provided and used
(906,589)	2,209,977	(9,910,437)	7,465,301	(2,656,172)	Cash payments to employees for services
					Net cash provided (used) by operating activities
(573,288)	-	5,341,334	22,292,629	11,445	Cash flows from noncapital financing activities:
4,199,468	-	12,809,845	21,186,171	500,000	Intergovernmental
(145,522)	(38,000)	(595,828)	(4,723,089)	(1,341,843)	Transfers-in from other funds
					Transfers-out to other funds
3,480,860	(38,000)	17,555,350	38,755,731	(830,388)	Net cash provided (used) by noncapital financing activities
(126,588)	(5,198,024)	(4,292,460)	(27,511,358)	-	Cash flows from capital and related financing activities:
-	-	14,264	40,705	(17,644)	Acquisition and construction of capital assets
(1,085,000)	(830,000)	(825,000)	(8,766,793)	-	Proceeds (Loss) from sale of capital assets
(2,270,412)	(49,756)	(6,001)	(8,982,339)	-	Principal paid on revenue bond maturities and notes payable
-	-	-	(3,100,000)	-	Interest paid on revenue bonds and notes payable
					Intergovernmental payments
(3,482,000)	(5,877,780)	(5,109,197)	(46,299,785)	(17,644)	Net cash used for capital and related financing activities
38,060	53,898	19,798	865,724	116,840	Cash flows from investing activities:
38,060	53,898	19,798	865,724	116,840	Interest and dividends on investments
(889,889)	(3,651,906)	2,555,514	786,971	(3,387,576)	Net cash provided by investing activities
5,374,473	9,463,208	1,994,465	119,651,962	16,730,242	Net increase (decrease) in cash and cash equivalents
\$ 4,504,604	\$ 5,811,304	\$ 4,549,979	\$ 120,438,933	\$ 13,342,666	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:
\$ (1,794,278)	\$ 1,338,356	\$ (12,453,810)	\$ (14,328,089)	\$ (3,073,372)	Operating income (loss)
1,319,801	878,962	3,512,001	23,533,357	14,388	Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
-	-	(56,878)	458,117	-	Depreciation/amortization/bad debt expense
(315,300)	-	-	(469,849)	-	Change in assets and liabilities:
-	-	(27,581)	(27,581)	-	(Increase) decrease in accounts receivable
(7,223)	-	148,000	(134,916)	(205,379)	(Increase) decrease in prepaid expenses
(36,492)	-	(1,192)	(178,462)	-	(Increase) decrease in deferred charges
(75,516)	(3,340)	(491,045)	(1,190,741)	(23,129)	Increase (decrease) in notes payable
2,419	-	1,037	257,624	-	Increase (decrease) in accounts payable
-	-	(518,275)	(518,275)	-	Increase (decrease) in miscellaneous payable
				637,386	Increase (decrease) in compensated absences payable
					Increase (decrease) in accrued wages payable
					Increase (decrease) in escrow
					Increase (decrease) in due to other funds
					(Increase) decrease in claims payable
887,689	873,622	2,543,173	21,793,390	417,200	Total adjustments
\$ (906,589)	\$ 2,209,977	\$ (9,910,437)	\$ 7,465,301	\$ (2,656,172)	Net cash provided (used) by operating activities

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City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2012

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 as an entity for which the City is considered to be financially accountable. Based on GASB 14 and GASB 61 it was determined the Santa Fe Civic Housing Authority was no longer a component of the City of Santa Fe. The City was no longer responsible for the authority's debt as a result of a HUD release. The City has no component units or blended component units that are legally separate entities.

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 government. 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 government is reported separately from the legally separate component unit for which the 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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2012

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.

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 10th and April 10th. 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.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2012

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 Laurcate Education Inc. in September of 2009.

Additionally, the City reports the following fund types:

Internal service funds account for the City's Santa Fe Health Fund/Dental Fund, Risk Management Fund, Workers' Compensation 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

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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.

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).

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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.
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 AAA 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

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(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 are stated at fair value.

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 uncollectible 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.

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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 5,230 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 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, 2012 was \$885,580.

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 \$11,297,700 is recorded as a prepaid water asset in the financial statements.

4. Restricted Assets

Certain proceeds of bonds and loans, 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.

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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 \$1,895,746 and \$1,542,962 respectively.

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

<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.

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8. Fund Balance

As of June 30, 2012 fund balance of the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. Enabling legislation includes a legal enforceable requirement that resources be used only for specific purposes stipulated in the legislation. Legal enforceability means the government can be impelled by an external party to use resources for the purpose specified by the legislation. The amount of net assets restricted by enabling legislation is \$49,568,859 which represents all restricted net assets reported on page 20.

Committed - amounts that can be used only for specific purposes determined by a formal action of City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Council.

Assigned - amounts that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed. The City has not established a policy regarding the assignment of funds, so this category of fund balance represents the residual amounts not otherwise reported as unspendable, restricted, or committed in governmental funds outside of the general fund.

Unassigned - all other spendable amounts.

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Fund Balance Purpose	General	Debt Service	1/2% Gross Receipts Tax	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Inventory	\$ 145,699	\$ -	\$ -	\$ -	\$ 145,699
Endowment				250,000	250,000
Due from other Funds	-	-	11,193,717	-	11,193,717
Spendable					
Restricted					
General Government	5,458,379	-	-	9,275,665	14,734,044
Open Space projects	-	1,040,137	-	-	1,040,137
Public Safety	-	-	-	5,606,822	5,606,822
Public Works	-	-	-	14,286,584	14,286,584
Community Development	-	-	-	2,562,026	2,562,026
Culture & Recreation	-	-	-	11,339,246	11,339,246
Committed					
General Government	1,310,811	4,471,963	-	432,419	6,215,193
Culture & Recreation		-	-	307,317	307,317
Assigned					
General Government	-	-	-	763,863	763,863
Public Works	-	-	-	2,686,033	2,686,033
Community Development	-	-	-	933,271	933,271
Culture & Recreation	-	-	-	1,681,553	1,681,553
Unassigned					
General Government	10,845,524	-	-	-	10,845,524
Public Safety	-	-	-	(382,397)	(382,397)
Culture & Recreation	-	-	-	-	-
	\$ 17,760,413	\$ 5,512,100	\$ 11,193,717	\$ 49,742,402	\$ 84,208,632

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9. Net Assets

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 an 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.

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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

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 (\$142,071,687) difference are as follows:

Bonds Payable	\$ (110,340,000)
Plus: Bond premium/discount (to be amortized as interest expense)	(8,111,205)
Intergovernmental Notes Payable	(17,797,603)
Capital Leases Payable	(767,600)
Sub - Total	<u>(137,016,408)</u>
Compensated Absences	(5,055,279)
Net Adjustment to reduce <i>fund balance – total governmental funds</i>	<u>\$ (142,071,687)</u>

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 \$4,240,046 are as follows:

Capital Outlay	\$ 18,196,279
Less: Capital Outlay-Inventory Exempt	(3,221,836)
Depreciation Expense	<u>(10,734,397)</u>
Net Adjustment to Increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 4,240,046</u>

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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 (\$13,604,449) difference are as follows:

Debt Issued or Incurred:	
Issuance of revenue bonds plus premium/discount	\$ (37,717,779)
Deferred bond costs	294,642
Principal Repayments:	
Revenue bond debt	7,250,000
General obligation bond debt	1,240,000
Revenue bond refunding	14,390,000
NMFA and HUD loan agreement payments	938,688
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>	\$ (13,604,449)

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 \$579,266 difference are as follows:

Compensated Absences	\$ 328,189
Interest Payable	(36,347)
Amortization of bond premiums	(1,550,122)
Amortization of deferred charges	679,014
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>	\$ (579,266)

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.

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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.

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. Encumbrances (purchase orders, contracts and other commitments for the expenditure of resources) outstanding at year end are carried forward to the new fiscal year and 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, 2012, expenditures/expenses exceeded appropriations in the following funds:

The CIP Reallocation Fund is reporting excess expenses over appropriations of \$7,031. The deficit was caused by additional cost of purchasing railyard property.

The Union Sick Leave Bank Fund, reported as Internal Service Fund, is reporting excess of expenses over appropriations of \$114,952. The deficit was caused by the expenditure being budgeted in the employee's individual fund. The balance of the amount over-expended was recovered by available cash balance.

The Santa Fe Health and Dental Fund, reported as Internal Service Fund, is reporting excess of expenses over appropriation of \$668,706. The deficit was caused by an increase in claims.

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C. Deficit fund equity

The Municipal Recreation Complex, reported as an Enterprise Fund, has deficit fund equity of \$5,342,471. 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 \$366,488. 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.

The Environmental Services Fund, reported as a Special Revenue Fund, has a deficit fund balance of \$15,909.

The Risk Management Fund has a deficit fund balance of \$754,583. This deficit was due to additional claims.

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 \$85,403,305 and the year-end bank balance was \$88,210,162. 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.

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, 2012 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 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.

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B. Investments

As of June 30, 2012, 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	\$ 107,557,818	\$ 5,024,331	\$ 53,317,099	\$ 49,150,643	\$ 65,745
NM Municipal bonds	1,923,514	355,062	1,568,452	-	-
	<u>109,481,332</u>	<u>\$ 5,379,393</u>	<u>\$ 54,885,551</u>	<u>\$ 49,150,643</u>	<u>\$ 65,745</u>
Money Market Funds	194,234				
NM LGIP	702,858				
Total Investments	<u>\$ 110,378,424</u>				

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 (NM LGIP) at June 30, 2012 had a WAM (R) of 60 days and a WAM (F) of 83 days. The NMLGIP has begun reporting two values for weighted average maturity at the request of Standard and Poor's, which rates the pool. WAM (R) is the weighted average maturity for reset bonds, i.e. longer term bonds that react as shorter term bonds due to a 60-day variable rate structure for resetting rates. S&P allows the NMLGIP to purchase such bonds as long as they are clearly identified and this separate maturity calculation is provided. The WAM (F) is the traditional weighted average final maturity value for the pool.

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 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 Poor's, 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

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providing municipalities with AAA ratings was severely curtailed. The City has adopted an investment policy 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. The Los Alamos bond noted below had a rating drop from S&P to AA- but since it matured July 1, 2012 the City held it to maturity. Municipals made up 1.4% of the portfolio at the end of FY 11-12.

	<u>Fair Value</u>	<u>S&P</u>	<u>Moody's</u>
Albuquerque NM Gross Receipts Tax Refunding Bond	\$ 1,568,452	AAA	AA2
Los Alamos County NM Utility Bond	215,032	AA-	AA3
New Mexico Mortgage Finance Authority	140,030	AA+	NR
	<u>\$ 1,923,514</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, 2012 with their respective percentage distribution, 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 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>WAM</u>	<u>S&P</u>	<u>Moody's</u>
	<u>Fair Value</u>	<u>%</u>	<u>(Days)</u>	<u>Rating</u>	<u>Rating</u>
NM LGIP	\$ 702,858	0.54%	1	AAAm	-
WFB Adv. Govt. Money Market	194,234	0.15%	1	AAAm	Aaa-rrf
US Agencies					
FFCB	6,508,015	4.96%	646	AA+	AAA
FHLB	25,278,885	19.25%	33	AA+	AA
FNMA	57,341,470	43.67%	151	AA+	AAA
FHLMC	39,166,734	29.83%	433	AA+	AAA
GNMAs	190,485	0.15%	1668	NA	NA
NM Municipals - Taxable	1,923,514	1.46%	296	AAA:AA-	AA2:AA3
TOTAL	<u>\$ 131,306,195</u>	<u>100.00%</u>	<u>236</u>		

The weighted average maturity (WAM) remains the standard for reporting the average hold time for securities in a portfolio, even though there has been a major shift in the securities market to callable securities, and for these securities to actually be called far in advance of their stated maturity date. As such, the WAM above overstates the length of time the City will hold securities in its portfolio as of June 30, 2012. The weighted average based on the first call date for the City's entire portfolio (including cash accounts) at June 30, 2012 was 160 days. Calls for such bonds are generally only announced five to ten days in advance of the call date, making a more realistic value for the portfolio term difficult to achieve. The

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continued downward trend in yields enabled the City to purchase longer term callable securities at higher yields than non-callable securities. Over 95% of these securities are being called at the first call date, shortening the actual term by two to four years. Purchases are made with the knowledge that a security may be called early, but that the yield and term are acceptable should the security actually be held to maturity. The City holds more cash to compensate for the decreased clarity in laddering the City's securities purchases. This flexibility has helped the City earn higher interest earnings in this economy than it would with U.S. Treasuries or non-callable securities, without increasing risk exposure.

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 federal agency securities backed by the full faith and credit of the federal government and rated AAA by Moody's and AA+ by Standard and Poor's at June 30, 2012. 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 (NMLGIP) which has the option of containing AAA corporate paper but the City itself does not hold any corporate paper, both in line with State of New Mexico statute. As of June 30, 2012, the NMLGIP had invested approximately 20% of the pool in corporate debt issued under the Federal Government Temporary Liquidity Guarantee Program (TLGP), which allowed banks and finance companies to issue corporate debt backed by the US government through FDIC. This debt carries the AAA/AA+ ratings of the Federal Government. The TLGP program expired as of December 31, 2012. The remainder of the pool was invested in agencies and cash accounts.

The City held uninsured deposits of \$71,701,622 at June 30, 2012, of which 64% resided at Wells Fargo Bank, the City's primary financial institution. All uninsured funds were collateralized in compliance with State of New Mexico statute. Bank balances represented 40.2% of the total portfolio at June 30, 2012.

	<u>Cash Balance</u>	<u>%</u>
Wells Fargo Bank	\$ 46,200,230	64.43%
First National Bank of Santa Fe	12,751,392	17.78%
Los Alamos National Bank	10,000,000	13.95%
Community Bank	2,750,000	3.84%
Total Collateralized	<u>\$ 71,701,622</u>	100.00%

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June 30, 2012

C. Receivables

Receivables at June 30, 2012 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	Non-major and Other Funds	Total
Receivables:											
Taxes	\$ 9,702,657	\$ 23,339	\$ 2,553,169	\$ 315,367	\$ 1,259,326	\$ 315,366	\$ -	\$ -	\$ -	\$ 2,364,150	\$ 16,533,374
Grants	31,532	-	-	10,452	864,692	-	1	584,520	195,000	4,542,887	6,229,084
Accounts	-	-	-	2,802,848	10,016,173	2,096,355	-	315,000	-	402,155	15,632,531
Interest	10,835	26,912	-	26,648	120,085	10,745	1,527	7,129	9,123	71,688	284,692
Ambulance	4,160,465	-	-	-	-	-	-	-	-	-	4,160,465
Other	53,912	-	-	-	-	-	-	-	-	3,714,948	3,768,860
Gross Receivables	13,959,401	50,251	2,553,169	3,155,315	12,260,276	2,422,466	1,528	906,649	204,123	11,095,828	46,609,006
Less: Allowance Uncollectible:	(3,177,489)	-	-	(1,179,915)	(3,694,402)	(847,074)	-	-	-	(126,589)	(9,025,469)
Total Primary Government	\$ 10,781,912	\$ 50,251	\$ 2,553,169	\$ 1,975,400	\$ 8,565,874	\$ 1,575,392	\$ 1,528	\$ 906,649	\$ 204,123	\$ 10,969,239	\$ 37,583,537

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:

	Deferred
Land Sale Contract-(Special Revenue)	\$ 2,512,826
Special Assessments-(Special Revenue)	84,762
Advance for construction-(CIP fund)	10,758
Reimbursement of Gas line extension-(General Fund)	43,779
Liquor Licenses-(General Fund)	37,250
Total Unearned Revenue for Governmental Funds	\$ 2,689,375

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D. Capital assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 169,939,946	\$ -	\$ -	\$ 169,939,946
Construction in Progress	16,747,696	13,331,067	(4,202,053)	25,876,710
Art	922,920	-	-	922,920
Total Capital Assets not being Depreciated	187,610,562	13,331,067	(4,202,053)	196,739,576
Capital Assets being Depreciated:				
Buildings and systems	57,860,919	49,565	(3,897)	57,906,587
Improvements	42,585,573	4,112,092	-	46,697,665
Equipment and Machinery	16,373,430	370,540	(189,491)	16,554,479
Furniture and Fixtures	866,014	-	(8,039)	857,975
Vehicles	20,957,489	1,210,993	(1,122,900)	21,045,582
Data Processing and Software	11,735,797	102,238	(91,501)	11,746,526
Traffic Signals	23,222,048	-	-	23,222,048
Streets	191,454,881	-	-	191,454,881
Bridges	2,109,269	-	-	2,109,269
Total Capital Assets being Depreciated	367,165,420	5,845,428	(1,415,828)	371,595,012
Less: Accumulated Depreciation for:				
Buildings	(12,402,710)	(1,479,175)	597	(13,881,288)
Improvements	(21,561,774)	(2,993,260)	-	(24,555,034)
Equipment and Machinery	(14,035,766)	(637,247)	189,491	(14,483,521)
Furniture and Fixtures	(567,029)	(45,579)	8,039	(604,568)
Vehicles	(14,415,624)	(1,721,003)	1,020,565	(15,116,062)
Data Processing and Software	(8,352,410)	(773,685)	91,501	(9,034,594)
Traffic Signals	(21,020,102)	(618,695)	-	(21,638,797)
Streets	(151,205,200)	(2,400,475)	-	(153,605,675)
Bridges	(445,377)	(79,666)	-	(525,043)
Total Accumulated Depreciation	(244,005,992)	(10,748,785)	1,310,193	(253,444,582)
Total Capital Assets being Depreciated	123,159,428	(4,903,357)	(105,635)	118,150,430
Governmental Activities Capital Assets	\$ 310,769,990	\$ 8,427,710	\$ (4,307,688)	\$ 314,890,006

City of Santa Fe, New Mexico
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 38,260,558	\$ -	\$ -	\$ 38,260,558
Water Rights	916,367	16,291	-	932,658
Construction in Progress	177,679,207	20,579,691	(143,500,900)	54,757,998
Art	185,971	-	-	185,971
Total Assets not being Depreciated	210,116,636	20,595,982	(143,500,900)	94,137,185
Capital Assets being Depreciated:				
Buildings and Structures	186,637,479	121,307,458	(17,266)	307,927,671
Improvements	82,426,409	25,805,542	-	108,231,951
Sewerlines and Utility Systems	102,885,247	136,740	-	103,021,987
Equipment and Machinery	20,599,637	394,245	(502,016)	20,491,866
Furniture and Fixtures	774,049	-	(89,513)	684,536.00
Vehicles	24,690,838	1,840,978	(1,364,974)	25,166,842
Intangible Plant	57,625	-	-	57,625
Data Processing and Software	3,351,430	154,912	(232,791)	3,273,551
Total Assets being Depreciated	399,223,017	149,639,875	(2,206,560)	568,856,029
Less Accumulated Depreciation for:				
Buildings and Structures	(34,091,919)	(6,693,805)	17,266	(40,768,458)
Improvements	(47,341,928)	(8,551,146)	-	(55,893,074)
Sewerlines and Utility Systems	(55,355,554)	(3,787,748)	-	(59,143,302)
Equipment and Machinery	(14,809,529)	(1,395,012)	502,019	(15,702,522)
Furniture and Fixtures	(743,765)	(11,198)	89,513	(665,450)
Vehicles	(15,610,699)	(1,790,352)	1,332,731	(16,068,320)
Intangible Plant	(57,625)	-	-	(57,625)
Data Processing and Software	(2,329,373)	(189,527)	232,791	(2,286,109)
Total Accumulated Depreciation	(170,340,392)	(22,418,788)	2,174,320	(190,584,860)
Total Capital Assets being Depreciated	228,882,625	127,221,087	(32,240)	378,271,169
Business-type Activities Capital Assets	\$ 438,999,261	\$ 147,817,069	\$ (143,533,140)	\$ 472,408,354

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

Governmental Activities:

General Government	\$ 1,777,263
Public Safety	992,544
Highways and Streets, excluding depreciation of general infrastructure assets	7,015,449
Community Welfare	208,893
Culture and Recreation	740,248
Subtotal	10,734,397
Capital Assets held by the City's Internal Service Funds are charged to the various functions based on their usage of the Assets	14,388
Total Depreciation Expense - Governmental Activities	\$ 10,748,785

Business - Type Activities:

Santa Fe Convention Center	\$ 1,299,840
Parking Operations	499,372
Solid Waste Management	759,255
Waste Water Management	4,795,852
Water Management	8,757,971
Municipal Recreation Center	126,060
Genoveva Chavez Community Center	500,966
Airport	1,359,522
Transit Operations	1,006,411
Railyard	2,436,577
College of Santa Fe	876,962
Total Depreciation Expense - Business-Type Activities	\$ 22,418,788

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2012

Construction commitments:

The City has active construction projects as of June 30, 2012. 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:

Project	Spent to Date	Remaining Commitments
Street and Highway Construction	\$ 36,350,326	\$ 414,986
Parks and Recreation	16,548,830	1,213,988
Municipal Facilities Improvements	1,547,203	41,630
Railyard Infrastructure	28,253,338	148,505
Airport Improvements	15,532,948	327,996
Community Welfare	2,279,719	292,891
Community Development	3,652,938	3,027,478
Water Division Improvements	41,920,845	2,386,400
Convention Center	62,445,030	8,844
General Government	220,903	6,633
Wastewater management	2,285,343	151,155
Total	<u>\$ 211,037,423</u>	<u>\$ 8,020,506</u>

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.

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

F. Inter-fund receivables, payables, and transfers

The composition of inter-fund balances as of June 30, 2012, is as follows:

	Due From Other Funds	Due To Other Funds
Primary Government:		
General Fund		
Special Revenue Funds:		
Senior Citizen Grant	\$ 16,806	-
Land Development	1,171,800	613,804
Enterprise Funds:		
Railyard Property	3,603,862	-
Special Revenue Funds:		
General Fund	-	1,188,606
Capital Projects Funds		
General Fund	613,804	-
Enterprise:		
Water Management	8,084,545	-
Enterprise Funds		
General Fund:	-	3,603,862
Capital Project Funds:		
1/2% Gross Receipts Tax	-	8,084,545
Total All Funds	\$ 13,490,817	\$ 13,490,817

City of Santa Fe, New Mexico
Notes to the Financial Statements
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Inter-fund transfers:

Fund Disbursing	Transfer In From						Total
	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service	
General Fund	\$ -	\$ 2,342,460	\$ -	\$ 48,384	\$ 2,505,553	\$ 100,000	\$ 4,996,397
Special Revenue	6,445,443	1,234,534	1,294,675	15,600	189,614	-	9,179,866
Capital Projects	89,601	264,195	707,859	30,871,769	20,203	741,843	32,695,470
Debt Service	-	977,045	13,332,175	15,889,168	68,357	-	30,266,745
Enterprise Funds	58,083	12,158,954	2,297,090	4,732,102	1,788,596	-	21,035,425
Internal Service	-	-	-	-	-	500,000	500,000
Total	\$ 6,593,727	\$ 16,977,188	\$ 17,631,799	\$ 51,557,023	\$ 4,572,323	\$ 1,341,843	\$ 98,673,903

Fund Disbursing	Transfer Out To						Total
	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service	
General Fund	\$ -	\$ 6,445,443	\$ 89,601	\$ -	\$ 58,683	\$ -	\$ 6,593,727
Special Revenue	2,342,460	1,234,534	264,195	977,045	12,158,954	-	16,977,188
Capital Projects	-	1,294,675	707,859	13,332,175	2,297,090	-	17,631,799
Debt Service	48,384	15,600	30,871,769	15,889,168	4,732,102	-	51,557,023
Enterprise Funds	2,505,553	189,614	20,203	68,357	1,788,596	-	4,572,323
Internal Service	100,000	-	741,843	-	-	500,000	1,341,843
Total	\$ 4,996,397	\$ 9,179,866	\$ 32,695,470	\$ 30,266,745	\$ 21,035,425	\$ 500,000	\$ 98,673,903

The City has numerous inter-fund 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.

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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, 2012.

Capital Leases

On September 20, 2011, the City entered into a lease agreement as lessee for financing the acquisition of new phone equipment for its facilities. This lease qualified as a capital lease for accounting purposes and has been recorded as governmental debt at the present value of its future minimum lease payments as of its inception date.

The assets acquired through this capital lease are as follows:

Equipment	\$ 959,500
Total	\$ 959,500

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012, were as follows:

Year Ending June 30, 2012	Intergovernmental
2013	\$ 200,132
2014	200,132
2015	200,132
2016	200,132
Total Minimum Lease Payment	800,528
Less: Amount Representing Interest	(32,928)
Present Value of Minimum Lease Payments	\$ 767,600

H. Long-Term Debt

Long-term debt of the City at June 30, 2012 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.

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During FY 2011-12 the City issued a new governmental revenue bond. On March 1, 2012 the City issued the Gross Receipts Tax Improvement and Refunding Revenue Bonds, Series 2012A, in the par amount of \$32,750,000, maturing June 2026, and carrying interest rates from 3.00% to 5.00%. Of these bonds, \$22,000,000 was used to fund CIP projects and the balance plus the premium was used to advance refund the outstanding Gross Receipts Tax Improvement Revenue Bonds, Series 2004.

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

Purpose	Interest Rates	Amount
Governmental Activities	2.00 - 5.50%	\$ 82,630,000
Business - Type Activities	3.25 - 6.00%	197,125,000
		<u>\$ 279,755,000</u>

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
2013	\$6,775,000	\$3,796,450	\$7,585,000	\$9,822,449
2014	6,985,000	3,583,613	8,240,000	9,504,961
2015	7,325,000	3,244,763	8,735,000	9,159,286
2016	7,670,000	2,897,713	9,180,000	8,794,049
2017	8,005,000	2,562,063	9,665,000	8,378,696
2018-2022	37,105,000	7,334,388	54,640,000	34,767,094
2023-2027	8,765,000	1,086,125	34,890,000	22,759,131
2028-2032	0	0	26,095,000	15,577,100
2033-2037	0	0	25,455,000	7,899,223
2038-2042	0	0	12,640,000	1,343,540
Total	\$ 82,630,000	\$ 24,505,113	\$ 197,125,000	\$ 128,005,529

On March 1, 2012 the City of Santa Fe refunded the Gross Receipts Tax (Subordinate Lien) Wastewater Systems Variable Rate Revenue Bonds, Series 1997B, maturing June 2022. These variable rate bonds saved the City's wastewater enterprise fund considerable interest expense from their date of issuance in 1997 to March 1, 2012, but changes in the municipal bond market and the drop in yields this past year made it advantageous to convert them to fixed rate bonds. In addition, the variable rate bonds were backed by a letter of credit issued by BNP Paribas, a French bank. European financial market problems caused a downgrade in the rating of BNP Paribas with a second downgrade likely. It was in the City's best interest to restructure the bonds and terminate the letter of credit to avoid the possibility of the downgrade affecting the City's rating.

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Total City general obligation debt consisted of governmental debt as follows:

Purpose	Interest Rates	Amount
Governmental Activities	2.50 - 5.00%	\$ 27,710,000
		<u>\$ 27,710,000</u>

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

Years Ended June 30	Governmental Activities	
	Principal	Interest
2113	\$ 1,200,000	\$ 1,065,870
2114	1,245,000	1,025,001
2115	1,295,000	980,501
2116	1,345,000	934,264
2117	1,395,000	886,251
2018-2022	7,895,000	3,576,269
2023-2027	9,720,000	1,779,198
2028-2032	3,615,000	147,422
2033-2037	0	0
2038-2042	0	0
Total	<u>\$ 27,710,000</u>	<u>\$ 10,394,776</u>

Notes payable – Primary Government

The City serves as fiscal agent for the Buckman Direct Diversion Project, a regional water project. Of the loans the City has secured for construction of this project, there are four New Mexico Finance Authority loans for which the County of Santa Fe has committed to reimbursing the City for 50% of the loan cost and has received credit for half of the associated grant funds.

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

Note payable to NMFA (SANTAFE16) 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 County receives credit for 50% of the grant proceeds and will reimburse the City for 50% of the loan cost.

During fiscal year 2008-2009 the City secured an additional NMFA loan to partially fund construction of the Buckman Direct Diversion Water Project.

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Note payable to NMFA (SANTAFE19) 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 County receives credit for 50% of the grant proceeds and will reimburse the City for 50% of the loan cost.

During fiscal year 2009-2010 the City secured an additional NMFA loan to partially fund construction of the Buckman Direct Diversion Water Project.

Note payable to NMFA (SANTAFE WPF4) 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 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 County receives credit for 50% of the grant proceeds and will reimburse the City for 50% of the loan cost.

During fiscal year 2010-2011 the City received an additional loan from NMFA to partially fund construction of the Buckman Direct Diversion Water Project.

Note payable to NMFA (SANTAFE WPF6) closed May 6, 2011, for the amount of 800,000 at .25% interest with a maturity date of June 2031, in conjunction with a \$3,200,000 grant, to partially fund construction costs 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 Water Project, the County receives credit for 50% of the grant proceeds and will reimburse the City for 50% of the loan cost.

The following represents the status as of June 30, 2012, of the four water loans that the County of Santa Fe has agreed to reimburse the City for 50% of the loan costs.

Buckman (#SANTAFE16)	\$ 154,710
Buckman (#SANTAFE19)	692,683
Buckman (#SANTAFE WPF 4)	721,786
Buckman (#SANTAFE WPF 6)	760,942
	<u>\$ 2,330,121</u>
Less: Current Portion	<u>(128,479)</u>
Total Long Term Notes Payable	\$ 2,201,642
Less: Cash in Trust	-
Total LT Notes Payable Less Cash in Trust	<u>\$ 2,201,642</u>

The City of Santa Fe has secured other loans from NMFA to fund a variety of water projects including a portion of the construction of the Buckman Direct Diversion Project.

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During fiscal year 2007-2008 the City secured a loan from NMFA to partially fund construction of the regional Buckman Direct Diversion Project.

Note payable to NMFA (SANTAFE DW-2) 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.

During fiscal year 2008-2009 the City secured an additional NMFA loan to partially fund construction of water system upgrades.

Note payable to the NMFA (SANTAFE WPF3) issued June 12, 2009, for the amount of \$400,000 at 0% interest with a maturity date of June 2029, in conjunction with a \$1,600,000 grant, to partially fund an upgrade of the Canyon Road Water Treatment Plant.

During fiscal year 2010-2011 the City recorded additional loans from NMFA for various water-related purposes. While certain of these loans were awarded earlier, they were not drawn on until FY 10-11, and under the terms associated with these loans were not recorded as outstanding long term debt until drawn.

Note payable to NMFA (SANTAFE 22) issued June 4, 2010, for the amount of \$210,777 at 1.0% interest with a maturity date of June 2031, in conjunction with a \$491,813 grant, to partially fund a micro-hydroelectric generation project for the Buckman Direct Diversion Project.

Note payable to NMFA (SANTAFEWPF5) closed May 7, 2010, for the amount of \$264,892 at .25% interest with a maturity date of June 2020, in conjunction with a \$1,059,568 grant, to partially fund a watershed management project.

Note payable to NMFA (SANTAFE DW-3) through the Drinking Water State Revolving Loan Fund closed August 13, 2010, for the amount of \$250,000 at 2.0% interest with a maturity date of June 2032, to partially fund upgrades to the City's water utility system including instrumentation of pumping sites.

During fiscal year 2011-2012 the City recorded an additional loan and amended an existing loan from NMFA for water-related purposes.

On August 5, 2011, the City closed on a New Mexico Finance Authority Water Trust Board (SANTAFE #WPF7) grant/loan in the amount of \$1,500,000, maturing in June 2031, consisting of a loan of \$300,000 with a 0% interest rate and a .25% administrative fee, and a grant of \$1,200,000. These proceeds will be used for partial funding of improvements to two reservoirs.

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On November 4, 2011, the City amended the New Mexico Finance Authority loan (SANTAFE DW-3) originally closed August 13, 2010 in the amount of \$250,000 and maturing June 2032. This loan was increased to \$320,138 to partially fund various upgrades to the City's water utility system.

During 2011-2012 the City paid off three NMFA Green Water Project loans.

The following represents the status of the water loans as of June 30, 2012.

Buckman (#SANTAFEDW2)	\$ 13,242,623
Canyon Rd Treatment Plant (#SANTAFE WPF3)	341,269
Water Upgrade (#SANTAFE22)	201,204
Watershed Management (#SANTAFE WPF5)	212,441
Green Energy Efficiency (#SANTA FE DW3)	280,737
Canyon Rd Treatment Plant (#SANTAFE WPF7)	<u>285,353</u>
	<u>\$ 14,563,627</u>
Less: Current Portion	<u>(731,806)</u>
Total Long Term Notes Payable	<u>\$ 13,831,821</u>
Less: Cash in Trust	<u>0</u>
Total LT Notes Payable Less Cash in Trust	<u><u>\$ 13,831,821</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.

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

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related to water and waste water, streets, drainage and traffic at the Railyard Development Project property.

During fiscal year 2010-2011 the City refunded the NMFA Railyard Tax Exempt Loan #7 in the principal amount of \$4,493,002, and the NMFA Railyard tax Exempt loan #15A in the principal amount of \$7,321,292, through the issuance of the Subordinate Lien Gross Receipts Tax Refunding Revenue Bonds, Series 2010B.

The following represents the status of the railyard loans as of June 30, 2012.

Railyard Infrastructure #8	\$ 461,065
Railyard Infrastructure #15B	790,311
Total Notes Payable	<u>\$ 1,251,376</u>
Less: Current Portion	<u>(66,959)</u>
Total Long Term Notes Payable	\$ 1,184,417
Less: Cash in Trust	<u>(52,975)</u>
Total LT Notes Payable Less Cash In Trust	<u>\$ 1,131,442</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, 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.

During fiscal year 2010-11 the name of the college was officially changed from the College of Santa Fe to the Santa Fe University of Art and Design.

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The following represents the status of this loan as of June 30, 2012.

Santa Fe University of Art & Design	\$	28,370,000
Total Notes Payable	\$	28,370,000
Less: Current Portion		(645,000)
Total Long Term Notes Payable	\$	27,725,000
Less: Cash in Trust		(6)
Total LT Notes Payable Less Cash In Trust	\$	<u>27,724,994</u>

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 purchasing 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 1/16th 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 note 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 and 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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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, 2012.

Fire Vehicles	\$ 158,455
Parking Garage Loan	14,304,545
Land Acquisition	3,109,603
HUD Section 108	225,000
Total Notes Payable	<u>\$ 17,797,603</u>
Less: Current Portion	<u>(680,127)</u>
Total Long Term Notes Payable	<u>\$ 17,117,476</u>
Less: Cash in Trust	<u>(159,182)</u>
Total LT Notes Payable Less Cash In Trust	<u>\$ 16,958,294</u>

The debt service requirements to maturity for long term notes payable at June 30, 2012 are as follows:

Years Ended June.30	Governmental Activities		Business - Type Activities	
	Principal	Interest	Principal	Interest
2113	\$ 680,127	\$ 726,826	\$ 1,572,244	\$ 1,881,663
2114	539,867	704,160	1,890,067	1,845,612
2115	559,223	684,850	1,647,226	1,806,777
2116	579,761	664,369	1,695,670	1,763,453
2017	601,546	642,656	1,744,653	1,717,008
2018-2022	3,380,864	2,842,133	9,529,714	7,155,865
2023-2027	4,099,050	2,089,462	11,044,418	5,995,806
2028-2032	3,858,232	1,219,625	9,701,132	3,773,046
2033-2037	3,498,933	379,047	7,690,000	1,201,253
Total	<u>\$ 17,797,603</u>	<u>\$ 9,953,127</u>	<u>\$ 46,515,124</u>	<u>\$ 27,740,483</u>

Advance and current refunding

During fiscal year 2011-2012 the City issued both an advance refunding bond issue and a refunding bond issue.

On March 1, 2012, the City of Santa Fe issued \$32,725,000 Gross Receipts Tax Improvement and Refunding Revenue Bonds, Series 2012A, for the purpose of advance refunding in full the City of Santa Fe Gross Receipts Tax Improvement Revenue Bonds, Series 2004. Proceeds from the 2012A bonds were used to defray the cost of public project related to public utilities, public works, Parks and recreation, and community series as authorized by law and the City's home rule powers and to pay the costs incidental thereto and to the issuance of the Bonds.

On March 1, 2012, the City of Santa Fe issued \$14,280,000 Gross Receipts Tax Improvement and Refunding Revenue Bonds, Series 2012B, for the purpose of refunding

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outstanding City of Santa Fe, New Mexico Gross Receipts Tax (Subordinate Lien)/Wastewater System Variable rate Revenue Bonds, Series 1997B with the exception of one principal payment of \$25,000 due June 1, 2013. This refunding allowed the City to take advantage of record low municipal bond market rates to convert the variable rate bonds to fixed rate bonds, thus terminating the BNP Paribas Letter of Credit on the Series 1997B bonds, the rating for which had been lowered by the rating agencies.

Changes in long-term liabilities

The changes in long-term debt during the year ended June 30, 2012, are as follows:

	Outstanding July 1, 2011	Additions	Reductions	Outstanding June 30, 2012	Due Within One Year
Governmental Activities:					
Revenue Bonds Payable	\$ 71,545,000	\$ 32,725,000	\$ (21,640,000)	\$ 82,630,000	\$ 6,775,000
General Obligation Bonds Payable	28,950,000	-	(1,240,000)	27,710,000	1,200,000
New Mexico Finance Authority Loans	18,213,291	-	(640,688)	17,572,603	662,127
Santa Fe Public School Loan	280,000	-	(280,000)	-	-
HUD Section 108	243,000	-	(18,000)	225,000	18,000
Add. Deferred Amount (prem./disc.)	4,598,118	5,063,209	(1,550,122)	8,111,205	905,109
Compensated Absences	6,232,678	1,403,701	(2,225,817)	5,410,562	540,441
Capital Leases	-	959,500	(191,900)	767,600	191,900
Governmental Activity	\$ 130,062,087	\$ 40,151,410	\$ (27,786,527)	\$ 142,426,970	\$ 10,292,577
Business - Type Activities:					
Convention Center Bonds	\$ 47,565,000	\$ -	\$ (1,085,000)	\$ 46,480,000	\$ 1,130,000
Water Revenue Bonds	102,465,000	-	(2,950,000)	99,515,000	3,074,950
Wastewater Revenue Bonds	23,170,000	14,280,000	(17,345,000)	20,105,000	1,495,000
Solid Waste Revenue Bonds	11,735,000	-	(760,000)	10,535,339	785,000
Municipal Recreation Complex Revenue	10,855,000	-	(825,000)	10,030,000	865,000
Railyard Refunding Bonds	10,250,000	-	(230,000)	10,020,000	235,000
New Mexico Finance Authority Loans	47,505,487	970,533	(1,960,897)	46,515,123	1,572,244
Add. Deferred Amount (prem./disc.)	6,368,242	1,870,558	(440,343)	7,798,457	380,055
Compensated Absences	1,988,165	349,424	(288,529)	2,049,060	158,641
Capital Leases	27,561	-	(27,561)	-	-
Business - Type Activity	\$ 261,929,455	\$ 17,470,515	\$ (25,912,330)	\$ 253,047,979	\$ 9,695,890

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, \$73,281 of internal service funds compensated absences is included in the above amounts. The amount \$257,680 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.

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Defeased Debt

In prior years, the City defeased certain revenue and other bonds by placing the proceeds of the new bonds in an 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, 2012 \$14,390,000 of outstanding bonds were 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 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, 2012 is as follows:

Condensed Statement of Net Assets June 30, 2012

	<u>MRC</u>
Assets:	
Current Assets	\$ 515,624
Capital Assets	5,266,315
Total Assets	<u>5,781,939</u>
Liabilities:	
Current Liabilities	1,716,305
Noncurrent Liabilities	9,408,105
Total Liabilities	<u>11,124,410</u>
Net Assets:	
Invested in Capital Assets Net of Related Debt	(5,780,143)
Unrestricted	437,672
Total Net Assets	<u>\$ (5,342,471)</u>

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Condensed Statement of Revenues, Expenses, and changes in Net Assets June 30, 2012

	<u>MRC</u>
User Fees	\$ 1,118,569
Depreciation	(126,060)
Other Operating Expense	<u>(1,206,223)</u>
Operating Income	(213,714)
Nonoperating Revenues (expenses):	
Investment Earnings	496
Gain (Loss) on sale of capital asset	280
Interest Expense	(466,078)
Prem(Discount) debt service interest	17,286
Other Nonoperating Revenue/(Expenses)	(56)
Operating Transfers In/Out	<u>1,099,459</u>
Total Nonoperating Revenues (expenses)	<u>651,387</u>
Change in Net Assets	437,673
Beginning Net Assets	<u>(5,780,144)</u>
Ending Net Assets	<u><u>\$ (5,342,471)</u></u>

Condensed Statement of Cash Flows June 30, 2012

	<u>MRC</u>
Net Cash Provided (used) by:	
Operating Activities	\$ 289,014
Noncapital Financing Activities	1,099,459
Capital and Related Financing Activities	(922,541)
Investing Activities	<u>1,206</u>
Net Increase (decrease)	467,138
Beginning Cash and Cash Equivalents	<u>(467,138)</u>
Ending Cash and Cash Equivalents	<u><u>\$ -</u></u>

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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/Dental Fund, and Worker's Compensation 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, 2012; 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 omissions and the first \$50,000 for general and auto liability claims and law enforcement liability claims.

The Santa Fe Health/Dental 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 \$225,000 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 \$500,000 with a \$1,000,000 statutory limit.

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 coverage for each of the past three fiscal years.

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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:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payment	Balance at Fiscal Year End
2010- 2011				
Risk Management Fund	\$ 2,156,445	\$ 1,579,406	\$ 1,579,406	\$ 2,156,445
Santa Fe Health/Dental Fund	449,260	14,168,004	14,168,003	449,261
Workers' Compensation Fund	3,829,677	1,129,659	1,129,659	3,829,677
	\$ 6,435,382	\$ 16,877,069	\$ 16,877,068	\$ 6,435,383
2011 - 2012				
Risk Management Fund	\$ 2,156,445	\$ 820,604	\$ 410,302	\$ 2,566,747
Santa Fe Health/Dental Fund	449,261	17,689,354	17,178,834	959,781
Workers' Compensation Fund	3,829,677	632,517	915,954	3,546,240
	\$ 6,435,383	\$ 19,142,475	\$ 18,505,090	\$ 7,072,768

B. 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, 2012.

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.

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C. 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, 149 Wildlife Way, Santa Fe, NM 87506.

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. The BDD project has its own financial statements and is audited on an annual basis. Completed financial statements for the BDD project may be obtained at the City of Santa Fe, 200 Lincoln Street, Santa Fe, NM 87505.

D. 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,

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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.

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. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In fiscal year ending June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
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.

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For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4, and 5; municipal fire member coverage plan 3, 4, and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA1978]), during the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 2.292% of each participating employee’s annually salary, and each participating employee was required to contribute 1.146% of their salary. In the fiscal year ending June 30, 2013 the contributions rates for both employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY13	2.500%	1.25%

Also employers joining the program after January 1, 1998 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, 2012, 2011, and 2010 were \$1,201,165, \$1,118,457, and \$809,730, equal to the required contribution.

E. 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’ 4.05% contribution.

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Notes to the Financial Statements
June 30, 2012

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.

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, 2012, 2011, 2010, were \$13,414,186, \$13,677,127 and \$13,628,516, equal to the required contribution.

F. 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.

On July 19, 2011, St. John's College closed on an Educational Facility Revenue Bond, Series 2011, in the principal amount of \$8,310,000 with an interest rate of 4.1% and maturing July 2028. Proceeds are to be used for new dormitory facilities on the campus. This is the first conduit bond the City has closed on in several years.

As of June 30, 2012, there were five series of Industrial Revenue Bonds authorized and outstanding of which two were issued prior to July 1, 1995.

G. Subsequent Events

Ongoing economic problems in the global, national and local economies continue to impact a number of the City's revenue categories subsequent to June 30, 2012. While gross receipts tax and lodger's tax showed improvement during FY 11-12, interest earnings and other revenue categories continued to decline. 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. The budget for FY 12-13 includes a variety of revenue and expenditure budget controls and decision points that have so far allowed the City to continue to avoid operational disruptions. Economic conditions remain unsettled, difficult to predict and subject to ongoing changes which may affect the current financial condition and results of operations in the future.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2012

On March 6, 2012, voters approved new General Obligation (GO) bonds to be issued in FY 12-13 in the amount of \$17,800,000. Parks and Trails will receive \$14,000,000 and Sustainable Environment \$3,800,000 respectively. Issuance of these bonds is anticipated to be spring 2013.

H. New Accounting Standards

The Governmental Accounting Standards Board (GASB) has published GASB 68, Accounting and Financial Reporting for Pensions. This standard revises existing guidance for governments that provide their employees with pension benefits. A principal change is the requirement to record the governments pro rata share of unfunded actuarial accrued liability (UAAL) on its financial statements including multiemployer cost sharing plans.

The City is a participating member of the Public Employees Retirement Association (PERA), a multiemployer cost sharing plan. Other changes arising from these statements are significant and the City will comply with these changes as necessary. Information to implement is provided by PERA and the State of New Mexico. The implementation date for statement No. 68, most relevant to the board is for FY 2015. The current status of the unfunded liability for PERA is \$4.97 billion based on the most recently issued audited financial statement at June 30, 2011.

Supplementary Information

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Nonmajor Governmental Funds Special Revenue Funds

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

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

Mortgage Refund Residual – to account for the proceeds from the City of Santa Fe Single Family Mortgage Bond Refunding Issue. Joint multi-city bond issue.

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

400th Anniversary - to account for activities associated with the commemoration of the City's 400th year anniversary celebration.

Public Campaign – to account for contributions given to any candidate who is seeking election to a Santa Fe City municipal office. Ord. 2009-44 and Ord. 2011-28

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

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

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

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.

CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	Special Revenue	Capital Projects	Totals
Assets			
Cash, investments and cash equivalents	\$ 17,895,211	\$ 30,370,470	\$ 48,065,681
Restricted cash, cash equivalents and investments:			
Restricted for endowment	250,000	-	250,000
Receivables:			
State-shared taxes	2,258,737	105,413	2,364,150
Grants	1,049,570	842,695	1,892,265
Interest	19,365	29,715	49,080
Other receivables (net of allowances)	3,714,948	-	3,714,948
Due from other funds	613,804	-	613,804
Total assets	\$ 25,601,635	\$ 31,348,293	\$ 56,949,928
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,080,848	\$ 841,098	\$ 1,921,946
Compensated absences payable	24,322	-	24,322
Accrued wages payable	235,540	43,556	279,096
Due to other funds	1,284,746	362,617	1,627,363
Deferred unearned revenue	2,597,589	10,758	2,608,347
Deposits and escrows	646,452	100,000	746,452
Total current liabilities	5,849,497	1,358,029	7,207,526
Fund balance Unspendable	250,000	-	250,000
Fund balance Spendable:			
Restricted	16,983,871	26,086,472	43,070,343
Committed	739,736	-	739,736
Assigned	1,794,440	4,270,280	6,064,720
Unassigned	(15,909)	(366,488)	(382,397)
Total fund balances	19,752,138	29,990,264	49,742,402
Total liabilities and fund balances	\$ 25,601,635	\$ 31,348,293	\$ 56,949,928

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, 2012

	Special Revenue	Capital Projects	Totals
Revenues:			
Taxes:			
Gross receipts	\$ 12,956,156	\$	\$ 12,956,156
Cigarette	31		31
Motor	-	1,419,199	1,419,199
Lodgers	7,881,259		7,881,259
Property	2,633,685		2,633,685
Franchise	19,183		19,183
Intergovernmental revenues	5,839,615	8,282,188	11,921,801
Fees and charges for services	3,503,474		3,503,474
Sale of capital assets	-		-
Rents, royalties and concessions	149,084		149,084
Investment income	110,749	114,446	225,195
Land sales	90,939		90,939
Other revenues	349,753	57,221	406,974
Total revenues	33,333,928	7,873,052	41,206,980
Expenditures:			
Current:			
General government	4,371,198	187,542	4,558,740
Public safety	6,338,895		6,338,895
Public works	2,090,030	1,205,817	3,295,847
Community development	5,718,172	9,813	5,727,985
Culture and recreation	2,756,787	880,587	3,637,374
Total current expenditures	21,275,072	2,283,759	23,558,831
Capital outlay:			
General government	4,650	933,756	938,406
Public safety	2,236,964		2,236,964
Public works	11,812	7,112,275	7,123,887
Community development	70,112	327,892	398,004
Culture and recreation	31,312	7,016,923	7,048,235
Total capital outlay expenditures	2,354,650	15,390,846	17,745,496
Excess (deficiency) of revenues over expenditures	9,704,206	(9,801,553)	(97,347)
Other financing sources (uses):			
Transfers in	9,179,866	31,466,084	40,645,950
Transfers out	(16,977,188)	(2,658,180)	(19,635,368)
Total other financing sources (uses)	(7,797,322)	28,807,904	21,010,582
Net change in fund balances	1,906,884	19,006,351	20,913,235
Fund balances, beginning of year	17,845,254	10,983,913	28,829,167
Fund balances, end of year	\$ 19,752,138	\$ 29,990,264	\$ 49,742,402

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CITY OF SANTA FE, NEW MEXICO
 Combining Balance Sheet
 Nonmajor Governmental Funds
 Special Revenue Funds
 June 30, 2012

	Assets							Accounts Payable	Compensated Absences Payable
	Cash, Investments and Cash Equivalents	Taxes Receivable	Grants Receivable	Interest Receivable	Other Receivables	Due from Other Funds	Total Assets		
Primary Government									
General Government:									
Capital Equipment Reserve	\$ 28,773	\$ -	\$ -	\$ 88	\$ -	\$ -	\$ 28,861	\$ 730	\$ -
Mortgage Refund Residual	367,157	-	-	485	-	-	367,642	-	-
Franchise Fee	778	9,582	-	-	-	-	10,360	2,735	-
Economic Development	828,504	-	-	882	118,859	-	748,245	60,075	-
Lodgers' Tax Fund	3,000,051	-	-	4,229	965,340	-	3,969,620	445,894	-
400th Anniversary	-	-	-	474	-	-	474	-	-
Public Campaign	397,132	-	-	-	-	-	397,132	-	-
Santa Fe Business Incubator	32,608	-	-	43	-	-	32,851	-	-
1/2 % Gross Receipts Tax	1,570,777	1,927,317	-	2,219	-	-	3,480,313	-	-
Total General Government	6,025,780	1,927,317	-	8,420	1,084,199	-	9,035,296	509,434	-
Public Safety:									
Animal Services	149,555	-	-	194	-	-	149,749	-	-
Emergency Service Grants	1,543,387	26,472	60,373	2,246	-	-	1,832,478	56,029	-
Environmental Services	-	-	70,768	-	-	-	70,768	1,030	-
Law Enforcement Grants	3,400,819	315,366	459,900	3,294	-	-	4,179,479	228,293	-
Total Public Safety	5,093,861	341,838	591,041	5,734	-	-	6,032,474	285,352	-
Public Works:									
Resource Conservation	24,372	-	-	-	-	-	24,372	88	-
City Drainage Projects	217,280	-	320	-	113,887	-	331,487	39,603	-
Impact Fee Projects	2,728,680	-	3,599	-	-	-	2,732,279	-	-
Transportation Grants	127,100	-	107,454	222	-	-	234,776	4,209	-
Total Public Works	3,097,432	-	111,373	222	113,887	-	3,322,914	37,900	-
Community Development:									
Community Development Grants	533,110	-	208,106	711	-	-	741,927	116,464	-
Senior Citizen Grants	-	-	123,955	-	4,035	-	127,990	1,447	24,322
Total Community Development	533,110	-	332,061	711	4,035	-	869,917	117,911	24,322
Culture and Recreation:									
Historic Preservation Grant	129,953	-	4,000	148	-	-	128,101	-	-
Library	389,330	-	-	287	-	-	389,627	45,258	-
Plaza Use	65,627	-	-	65	-	-	65,712	-	-
Public Facilities Purchase	55,698	-	-	74	-	-	55,772	-	-
Quality of Life Project	197,249	-	-	297	-	-	197,546	11,713	-
Recreation Grants	675,613	-	11,095	1,007	-	-	687,715	69,269	-
Land Development	1,557,517	-	-	2,200	2,512,827	613,804	4,686,348	-	-
Special Recreation Leagues	190,041	-	-	170	-	-	190,211	4,011	-
Total Culture and Recreation	3,195,028	-	15,095	4,278	2,512,827	613,804	6,341,032	130,251	-
Totals - June 30, 2012	\$ 17,945,211	\$ 2,258,737	\$ 1,049,570	\$ 19,365	\$ 3,714,948	\$ 613,804	\$ 25,601,635	\$ 1,080,848	\$ 24,322

Liabilities					Fund Balance Spendable				Total Fund Balances	Total Liabilities and Fund Balances
Accrued Wages Payable	Due to Other Funds	Deferred Unearned Revenue	Deposits/ Escrows	Total Liabilities	Restricted	Committed	Assigned	Unassigned		
\$ 489	\$ -	\$ -	\$ -	\$ 1,199	\$ -	\$ 27,662	\$ -	\$ -	\$ 27,662	\$ 28,861
-	-	-	-	2,735	-	7,625	367,642	-	367,642	367,642
7,182	-	84,762	397,488	549,487	198,758	-	-	-	198,758	748,245
22,033	-	-	6,975	474,902	3,494,718	-	-	-	3,494,718	3,969,620
-	320	-	-	320	-	-	154	-	154	474
-	-	-	-	-	-	397,132	-	-	397,132	397,132
-	-	-	-	-	32,651	-	-	-	32,651	32,651
-	-	-	-	-	3,480,313	-	-	-	3,480,313	3,480,313
29,684	329	84,762	404,443	1,028,643	7,206,840	432,419	367,796	-	8,006,655	9,035,298
-	-	-	-	-	149,749	-	-	-	149,749	149,749
32,235	-	-	-	88,264	1,544,214	-	-	-	1,544,214	1,632,478
11,831	73,816	-	-	85,677	-	-	-	(15,909)	(15,909)	70,768
38,327	-	-	-	266,820	3,912,659	-	-	-	3,912,659	4,179,479
82,393	73,816	-	-	441,561	5,606,822	-	-	(15,909)	5,590,913	6,032,474
-	-	-	-	88	-	-	24,284	-	24,284	24,372
21,441	-	-	-	55,044	-	-	276,443	-	276,443	331,487
-	-	-	12,000	12,000	2,720,279	-	-	-	2,720,279	2,732,279
4,148	-	-	-	8,357	226,419	-	-	-	226,419	234,776
25,589	-	-	12,000	75,489	2,946,698	-	300,727	-	3,247,425	3,322,914
2,003	-	-	230,009	348,476	393,451	-	-	-	393,451	741,927
39,557	16,806	-	-	62,132	45,856	-	-	-	45,856	127,990
41,560	16,806	-	230,009	430,608	439,309	-	-	-	439,309	869,917
-	-	-	-	-	128,101	-	-	-	128,101	128,101
11,354	-	-	-	56,812	333,015	-	-	-	333,015	389,627
-	-	-	-	-	-	65,712	-	-	65,712	65,712
-	-	-	-	-	-	55,772	-	-	55,772	55,772
-	-	-	-	11,713	-	185,833	-	-	185,833	197,546
44,960	-	-	-	114,229	573,486	-	-	-	573,486	687,715
-	1,173,804	2,512,827	-	3,686,631	-	-	999,717	-	999,717	4,686,348
-	-	-	-	4,011	-	-	126,200	-	126,200	130,211
56,314	1,173,804	2,512,827	-	3,873,186	1,034,602	307,317	1,125,917	-	2,467,836	6,341,032
\$ 235,540	\$ 1,264,746	\$ 2,597,589	\$ 646,452	\$ 5,849,497	\$ 17,233,871	\$ 738,736	\$ 1,794,440	\$ (15,909)	\$ 19,752,138	\$ 25,601,635

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, 2012

Revenues

	Taxes	Inter-Governmental Revenue	Fees and Charges for Services	Rents, Royalties and Concessions	Investment Income	Other	Total Revenue
Primary Government:							
General Government:							
Capital Equipment Reserve	\$ -	\$ -	\$ -	\$ -	275	\$ 6,015	\$ 6,280
Mortgage Refund Residual					2,428		2,428
Franchise Fee	19,183						19,183
Economic Development	59,126	5,000		70,864	4,032	2,000	141,121
Lodger's Tax Fund	7,881,258	7,314	3,050		24,117	84,031	7,879,771
400th Anniversary							
Public Campaign					2,103	6,720	8,823
Santa Fe Business Incubator					187		187
1/2% Gross Receipts Tax	11,067,127				9,970		11,077,097
Total General Government	19,026,894	12,314	3,050	70,864	43,122	78,768	19,234,910
Public Safety:							
Animal Services			28,577		851		29,428
Emergency Service Grants	1,318,731	878,857			9,357		2,204,945
Environmental Services		132,022					132,022
Law Enforcement Grants	3,146,868	1,208,912	1,445,990		14,172	118,397	5,932,329
Total Public Safety	4,463,599	2,217,791	1,474,567		24,380	118,397	8,298,724
Public Works:							
Resource Conservation		185,320		18,200			203,520
City Drainage Projects			1,436,644		1,388		1,437,032
Impact Fee Projects			372,113		15,855		387,968
Transportation Grants		318,544			1,012		317,558
Total Public Works		501,864	1,807,757	18,200	18,265		2,346,078
Community Development:							
Community Development Grant		1,470,909	8,500		3,714	131,051	1,614,184
Senior Citizen Grants		1,188,009	75,941			9,900	1,273,850
Total Community Development		2,658,918	84,441		3,714	140,951	2,888,034
Culture and Recreation:							
Historic Preservation Grant		4,000	12,320		865		16,985
Library		217,339	2,919		2,801		223,159
NEA Grants							1
Plaza Use			32,735		382	3,680	36,777
Public Facilities Purchase					335		335
Quality of Life Project					1,414	500	1,914
Recreation Grants	31	27,389	85,685		4,608	7,468	125,181
Land Development					10,176		10,176
Special Recreation Leagues				58,920	798		60,718
Total Culture and Recreation	31	248,728	133,659	59,920	21,278	11,629	475,245
Totals - June 30, 2012	\$ 23,490,314	\$ 6,639,616	\$ 3,503,474	\$ 149,084	\$ 110,749	\$ 349,753	\$ 33,242,989

Expenditures			Other Financing Sources (Uses)				Fund Balance		
Current	Capital Outlay	Total Expenditures	Excess (Deficiency) of Revenues Over Expenditures	Sale of Capital Assets/Land	Transfers In	Transfers (Out)	Net change in Fund Balances	Beginning of Year	End of Year
\$ 14,203	\$ 3,382	\$ 17,585	\$ (1,295)	\$ 30,239	\$ -	\$ -	\$ 18,944	\$ 8,718	\$ 27,662
			2,428				2,428	385,214	387,642
8,445		8,445	12,738			(8,887)	8,071	1,554	7,625
741,459	275	741,734	(800,613)	53,000	389,530	(40,000)	(218,083)	418,841	198,758
3,546,075	993	3,547,068	4,432,703		73,250	(4,850,884)	(344,731)	3,839,449	3,494,710
59		59	(59)				(59)	213	154
62,957		62,957	(54,134)		300,000		245,866	151,268	397,132
			187				197	32,454	32,651
			11,077,097			(10,560,445)	516,652	2,963,661	3,480,313
4,371,198	4,850	4,375,848	14,859,082	83,239	742,780	(15,457,796)	227,285	7,779,370	8,008,855
452	-	452	28,976				28,976	120,773	149,749
2,043,189	804,779	2,847,968	(643,023)		1,133,341	(21,184)	469,124	1,075,090	1,544,214
134,891	-	134,891	(2,889)				(2,869)	(13,040)	(15,909)
4,160,353	1,432,185	5,592,538	339,791	7,700	1,118,810	(732,830)	734,771	3,178,088	3,912,859
8,338,885	2,236,964	8,575,849	(277,125)	7,700	2,253,251	(753,824)	1,230,002	4,360,911	5,590,913
238,163	-	238,163	(34,643)			(621)	(35,264)	58,548	24,284
1,463,527	10,982	1,474,489	(37,457)				(37,457)	313,800	278,443
15,761	-	15,761	372,207			(201,842)	170,365	2,549,914	2,720,279
372,579	850	373,229	(55,673)		98,765	(7,523)	36,589	189,850	228,418
2,090,030	11,812	2,101,842	244,434		98,765	(208,888)	134,213	3,113,212	3,247,425
2,285,291	-	2,285,291	(871,107)		914,429		243,322	150,129	383,451
3,432,881	70,112	3,502,993	(2,229,143)		1,792,546	(484)	(437,091)	482,949	45,858
5,718,172	70,112	5,788,284	(2,900,250)		2,708,975	(484)	(193,768)	633,078	439,309
8,041	-	8,041	8,944				8,944	118,157	128,101
934,871	13,781	948,432	(725,273)		931,654		206,381	126,634	333,015
30,000		30,000	(28,989)		30,498		499	(499)	-
30,313		30,313	8,464				6,464	59,248	65,712
			335				335	55,437	55,772
180,039	9,919	189,958	(188,044)		650,000	(532,298)	(70,342)	256,175	185,833
1,435,204	8,325	1,441,529	(1,316,348)		1,479,859	(22,780)	140,821	432,885	573,486
74,581		74,581	(84,388)		284,884		220,598	779,118	999,717
63,958	1,307	65,265	(4,547)				(4,547)	130,747	126,200
2,758,787	31,312	2,788,099	(2,312,854)		3,377,095	(555,088)	509,153	1,958,883	2,487,838
\$ 21,275,072	\$ 2,364,660	\$ 23,629,722	\$ 8,613,267	\$ 90,939	\$ 9,179,866	\$ (16,977,188)	\$ 1,906,884	\$ 17,845,254	\$ 19,762,138

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 108	\$ 108	\$ 275	\$ 167
Other	-	-	6,015	6,015
Total revenues	108	108	6,290	6,182
Expenditures:				
General government:				
Current	25,960	25,960	14,203	11,757
Capital outlay	4,200	4,200	3,382	818
Total expenditures	30,160	30,160	17,585	12,575
Excess (deficiency) of revenues over expenditures	(30,052)	(30,052)	(11,295)	18,757
Other financing sources (uses):				
Sale of capital assets	20,000	20,000	30,239	10,239
Total other financing sources (uses)	20,000	20,000	30,239	10,239
Net change in fund balance	(10,052)	(10,052)	18,944	28,996
Fund balance, beginning of year	8,718	8,718	8,718	.
Fund balance, end of year	\$ (1,334)	\$ (1,334)	\$ 27,662	\$ 28,996

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Mortgage Refund Residual
For the Year Ended June 30, 2012

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ 1,799	\$ 1,799	\$ 2,428	\$ 629
Total revenues	1,799	1,799	2,428	629
Expenditures:				
General government:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deliciency) of revenues over expenditures	1,799	1,799	2,428	629
Net change in fund balance	1,799	1,799	2,428	629
Fund balance, beginning of year	365,214	365,214	365,214	-
Fund balance, end of year	367,013	367,013	\$ 367,642	\$ 629

* These funds are the residual from closing out the single family mortgage revenue bonds, series 1991

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 20,000	\$ 20,000	\$ 19,183	\$ (817)
Total revenues	20,000	20,000	19,183	(817)
Expenditures:				
Public safety:				
Current	13,333	13,333	6,445	6,888
Total expenditures	13,333	13,333	6,445	6,888
Excess (deficiency) of revenues over expenditures	6,667	6,667	12,738	6,071
Other financing sources (uses):				
Transfers out	(6,667)	(6,667)	(6,667)	-
Total other financing sources (uses)	(6,667)	(6,667)	(6,667)	-
Net changes in fund balance	-	-	6,071	6,071
Fund balance, beginning of year	1,554	1,554	1,554	-
Fund balance, end of year	\$ 1,554	\$ 1,554	\$ 7,625	\$ 6,071

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, 2012

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 47,433	\$ 59,125	\$ 59,125	\$ -
Intergovernmental	-	-	5,000	5,000
Investment income	7,797	5,797	4,032	(1,765)
Rents, royalties and concessions	86,725	86,725	70,964	(15,761)
Other	-	-	2,000	2,000
Total revenues	141,955	151,647	141,121	(10,526)
Expenditures:				
General government:				
Current	1,020,541	1,211,690	741,459	470,231
Capital outlay	5,000	30,000	275	29,725
Total expenditures	1,025,541	1,241,690	741,734	499,956
Excess (deficiency) of revenues over expenditures	(883,586)	(1,090,043)	(600,613)	489,430
Other financing sources (uses):				
Sale of Capital Assets	-	-	53,000	53,000
Transfers in	353,930	369,500	369,530	30
Transfers out	(40,000)	(40,000)	(40,000)	-
Total other financing sources (uses)	313,930	329,500	382,530	53,030
Net change in fund balance	(569,656)	(760,543)	(218,083)	542,460
Fund balance, beginning of year	416,841	416,841	416,841	-
Fund balance, end of year	\$ (152,815)	\$ (343,702)	\$ 198,758	\$ 542,460

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 7,811,084	\$ 7,811,084	\$ 7,881,259	\$ 70,175
Intergovernmental	6,500	8,500	7,314	(1,186)
Fees and charges for service	500	500	3,050	2,550
Investment income	27,411	27,411	24,117	(3,294)
Other	76,500	76,500	64,031	(12,469)
Total revenues	7,921,995	7,923,995	7,979,771	55,776
Expenditures:				
General government:				
Current	3,681,730	3,787,321	3,546,075	241,246
Capital outlay	550	123,265	993	122,272
Total expenditures	3,682,280	3,910,586	3,547,068	363,518
Excess (deficiency) of revenues over expenditures	4,239,715	4,013,409	4,432,703	419,294
Other financing sources (uses):				
Transfers in	62,250	73,250	73,250	-
Transfers out	(4,850,187)	(4,850,684)	(4,850,684)	-
Total other financing sources (uses)	(4,787,937)	(4,777,434)	(4,777,434)	-
Net change in fund balance	(548,222)	(764,025)	(344,791)	419,294
Fund balance, beginning of year	3,839,449	3,839,449	3,839,449	-
Fund balance, end of year	\$ 3,291,227	\$ 3,075,424	\$ 3,494,718	\$ 419,294

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, 2012

	Budgeted Amounts			Actual	Variance With Final Budget- Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-	-
Expenditures:					
General government:					
Current	-	-	59	(59)	
Total expenditures	-	-	59	(59)	
Excess (deficiency) of revenues over expenditures	-	-	(59)	(59)	
Other financing sources (uses):					
Transfers out	-	-	-	-	
Total other financing sources (uses)	-	-	-	-	
Net change in fund balance	-	-	(59)	(59)	
Fund balance, beginning of year	154	154	213	-	
Fund balance, end of year	\$ 154	\$ 154	\$ 154	\$ -	

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Public Campaign
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 437	\$ 437	\$ 2,103	\$ 1,666
Miscellaneous Fines	-	-	6,720	6,720
Total revenues	437	437	8,823	8,386
Expenditures:				
General government:				
Current	300,000	300,000	62,957	237,043
Total expenditures	300,000	300,000	62,957	237,043
Excess (deficiency) of revenues over expenditures	(299,563)	(299,563)	(54,134)	245,429
Other financing sources (uses):				
Transfers in	300,000	300,000	300,000	-
Total other financing sources (uses)	300,000	300,000	300,000	-
Net change in fund balance	437	437	245,866	245,429
Fund balance, beginning of year	151,266	151,266	151,266	-
Fund balance, end of year	\$ 151,703	\$ 151,703	\$ 397,132	\$ 245,429

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment Income	\$ 340	\$ 340	\$ 197	\$ (143)
Total revenues	340	340	197	(143)
Expenditures:				
Net change in fund balance	340	340	197	(143)
Fund balance, beginning of year	32,454	32,454	32,454	-
Fund balance, end of year	\$ 32,794	\$ 32,794	\$ 32,651	\$ (143)

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 10,507,049	\$ 10,507,049	\$ 11,067,127	\$ 560,078
Investment Income	4,485	9,985	9,970	(15)
Total revenues	10,511,534	10,517,034	11,077,097	560,063
Expenditures:				
General government:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	10,511,534	10,517,034	11,077,097	560,063
Other financing sources (uses):				
Transfers out	(10,137,560)	(10,560,445)	(10,560,445)	-
Total other financing sources (uses)	(10,137,560)	(10,560,445)	(10,560,445)	-
Net changes in fund balance	373,974	(43,411)	516,652	560,063
Fund balance, beginning of year	2,963,661	2,963,661	2,963,661	-
Fund balance, end of year	\$ 3,337,635	\$ 2,920,250	\$ 3,480,313	\$ 560,063

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Licenses and permits	\$ 8,400	\$ 8,400	\$ 12,535	\$ 4,135
Investment income	438	438	851	413
Fines and forfeitures	23,000	23,000	16,042	(6,958)
Total revenues	31,838	31,838	29,428	(2,410)
Expenditures:				
General government:				
Current	7,000	7,000	452	6,548
Capital outlay	31,000	31,000	-	31,000
Total expenditures	38,000	38,000	452	37,548
Excess (deficiency) of revenues over expenditures	(6,162)	(6,162)	28,976	35,138
Net change in fund balance	(6,162)	(6,162)	28,976	35,138
Fund balance, beginning of year	120,773	120,773	120,773	-
Fund balance, end of year	\$ 114,611	\$ 114,611	\$ 149,749	\$ 35,138

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, 2012

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 1,249,231	\$ 1,249,231	\$ 1,316,731	\$ 67,500
Intergovernmental	422,116	950,964	878,857	(72,107)
Investment income	12,342	11,342	9,357	(1,985)
Other	-	6,512	-	(6,512)
Total revenues	1,683,689	2,218,049	2,204,945	(13,104)
Expenditures:				
Public safety:				
Current	1,910,593	2,144,819	2,043,189	101,630
Capital outlay	674,174	1,472,530	804,779	667,751
Total expenditures	2,584,767	3,617,349	2,847,968	769,381
Excess (deficiency) of revenues over expenditures	(901,078)	(1,399,300)	(643,023)	756,277
Other financing sources (uses):				
Transfers in	1,133,341	1,133,341	1,133,341	-
Transfers out	(21,194)	(21,194)	(21,194)	-
Total other financing sources (uses)	1,112,147	1,112,147	1,112,147	-
Net changes in fund balance	211,069	(287,153)	469,124	756,277
Fund balance, beginning of year	1,075,090	1,075,090	1,075,090	-
Fund balance, end of year	\$ 1,286,159	\$ 787,937	\$ 1,544,214	\$ 756,277

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, 2012

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 149,438	\$ 212,937	\$ 132,022	\$ (80,915)
Total revenues	149,438	212,937	132,022	(80,915)
Expenditures:				
Culture and recreation:				
Current	3,651	213,116	134,891	78,225
Total expenditures	3,651	213,116	134,891	78,225
Excess (deficiency) of revenues over expenditures	145,787	(179)	(2,869)	(2,690)
Net change in fund balance	145,787	(179)	(2,869)	(2,690)
Fund balance, beginning of year	(13,040)	(13,040)	(13,040)	-
Fund balance, end of year	\$ 132,747	\$ (13,219)	\$ (15,909)	\$ (2,690)

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, 2012

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 2,989,376	\$ 2,989,376	\$ 3,146,858	\$ 157,482
Intergovernmental	1,226,600	1,701,764	1,208,912	(494,852)
Fees and charges for services	688,713	688,713	629,057	(59,656)
Investment income	20,446	16,446	14,172	(2,274)
Fines and forfeitures	802,518	802,516	816,933	14,417
Other	80,000	80,000	118,397	38,397
Total revenues	5,807,651	6,278,815	5,932,329	(346,486)
Expenditures:				
Public safety:				
Current	4,001,012	4,606,425	4,160,353	446,072
Capital outlay	2,286,500	2,861,779	1,432,185	1,429,594
Total expenditures	6,287,512	7,468,204	5,592,538	1,875,666
Excess (deficiency) of revenues over expenditures	(479,861)	(1,189,389)	339,791	(2,222,152)
Other financing sources (uses):				
Sale of Capital Assets	25,000	25,000	7,700	(17,300)
Transfers in	1,119,910	1,119,910	1,119,910	-
Transfers out	(732,630)	(732,630)	(732,630)	-
Total other financing sources (uses)	412,280	412,280	394,980	(17,300)
Net change in fund balance	(67,581)	(777,109)	734,771	(1,511,880)
Fund balance, beginning of year	3,178,088	3,178,088	3,178,088	-
Fund balance, end of year	\$ 3,110,507	\$ 2,400,979	\$ 3,912,859	\$ 1,511,880

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, 2012

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 248,782	\$ 248,782	\$ 185,320	\$ (63,462)
Rents, royalties and concessions	33,480	49,922	18,200	(31,722)
Total revenues	282,262	298,704	203,520	(95,184)
Expenditures:				
Public safety:				
Current	281,641	298,083	238,163	59,920
Total expenditures	281,641	298,083	238,163	59,920
Excess (deficiency) of revenues over expenditures	621	621	(34,643)	(35,264)
Other financing sources (uses):				
Transfers out	(621)	(621)	(621)	-
Total other financing sources (uses)	(621)	(621)	(621)	-
Net changes in fund balance	-	-	(35,264)	(35,264)
Fund balance, beginning of year	59,548	59,548	59,548	-
Fund balance, end of year	\$ 59,548	\$ 59,548	\$ 24,284	\$ (35,264)

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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fees and charges for services	\$ 1,359,000	\$ 1,359,000	\$ 1,435,644	\$ 76,644
Investment income	1,978	1,978	1,388	(590)
Total revenues	<u>1,360,978</u>	<u>1,360,978</u>	<u>1,437,032</u>	<u>76,054</u>
Expenditures:				
Community welfare:				
Current	1,692,666	1,868,110	1,463,527	404,583
Capital outlay	500	500	10,962	(10,462)
Total expenditures	<u>1,693,166</u>	<u>1,868,610</u>	<u>1,474,489</u>	<u>394,121</u>
Excess (deficiency) of revenues over expenditures	<u>(332,188)</u>	<u>(507,632)</u>	<u>(37,457)</u>	<u>470,175</u>
Net change in fund balance	(332,188)	(507,632)	(37,457)	470,175
Fund balance, beginning of year	313,900	313,900	313,900	-
Fund balance, end of year	<u>\$ (18,288)</u>	<u>\$ (193,732)</u>	<u>\$ 276,443</u>	<u>\$ 470,175</u>

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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fees and charges for services	\$ 30,000	\$ 30,000	\$ 372,113	\$ 342,113
Investment income	19,322	19,622	15,855	(3,767)
Total revenues	<u>49,322</u>	<u>49,622</u>	<u>387,968</u>	<u>338,346</u>
Expenditures:				
Culture and recreation:				
Current	-	40,032	15,761	24,271
Total expenditures	<u>-</u>	<u>40,032</u>	<u>15,761</u>	<u>24,271</u>
Excess (deficiency) of revenues over expenditures	<u>49,322</u>	<u>9,590</u>	<u>372,207</u>	<u>314,075</u>
Other financing sources (uses):				
Operating transfers (out)	-	(201,842)	(201,842)	-
Total other financing sources (uses)	<u>-</u>	<u>(201,842)</u>	<u>(201,842)</u>	<u>-</u>
Net change in fund balance	49,322	(192,252)	170,365	314,075
Fund balance, beginning of year	2,549,914	2,549,914	2,549,914	-
Fund balance, end of year	<u>\$ 2,599,236</u>	<u>\$ 2,357,662</u>	<u>\$ 2,720,279</u>	<u>\$ 362,617</u>

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, 2012

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 307,801	\$ 596,676	\$ 316,544	\$ (280,132)
Investment Income	1,348	1,348	1,012	(336)
Total revenues	309,149	598,024	317,556	(280,468)
Expenditures:				
Public Works				
Current	373,961	524,852	372,579	152,273
Capital Outlay	-	103,040	650	102,390
Total expenditures	373,961	627,892	373,229	254,663
Excess (deficiency) of revenues over expenditures	(64,812)	(29,868)	(55,673)	(25,805)
Other financing sources (uses):				
Transfers in	57,906	99,765	99,765	-
Transfers out	-	(7,523)	(7,523)	-
Total other financing sources (uses)	57,906	92,242	92,242	-
Net change in fund balance	(6,906)	62,374	36,569	(25,805)
Fund balance, beginning of year	189,850	189,850	189,850	-
Fund balance, end of year	\$ 182,944	\$ 252,224	\$ 226,419	\$ (25,805)

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, 2012

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 1,302,120	\$ 1,840,890	\$ 1,470,909	\$ (369,981)
Fees and charges for services	-	-	8,500	8,500
Investment income	3,972	4,472	3,714	(758)
Other	-	-	131,061	131,061
Total revenues	1,306,092	1,845,362	1,614,184	(231,178)
Expenditures:				
Community welfare:				
Current	1,795,199	2,568,509	2,285,291	283,218
Capital outlay	940	2,440	-	2,440
Total expenditures	1,796,139	2,570,949	2,285,291	285,658
Excess (deficiency) of revenues over expenditures	(490,047)	(725,587)	(671,107)	54,480
Other financing sources (uses):				
Transfers in	707,861	914,429	914,429	-
Total other financing sources (uses)	707,861	914,429	914,429	-
Net changes in fund balance	217,814	188,842	243,322	54,480
Fund balance, beginning of year	150,129	150,129	150,129	-
Fund balance, end of year	\$ 367,943	\$ 338,971	\$ 393,451	\$ 54,480

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,937,884	\$ 1,426,111	\$ 1,188,009	\$ (238,102)
Fees and charges for services	-	-	75,941	75,941
Other	130,445	100,000	9,900	(90,100)
Total revenues	2,068,329	1,526,111	1,273,850	(252,261)
Expenditures:				
Community welfare:				
Current	3,862,634	3,437,854	3,432,881	4,973
Capital outlay	20,810	299,595	70,112	229,483
Total expenditures	3,883,444	3,737,449	3,502,993	234,456
Excess (deficiency) of revenues over expenditures	(1,815,115)	(2,211,338)	(2,229,143)	(17,805)
Other financing sources (uses):				
Transfers in	1,787,698	1,792,546	1,792,546	-
Transfers out	8,014	494	(494)	(988)
Total other financing sources (uses)	1,795,712	1,793,040	1,792,052	(988)
Net change in fund balance	(19,403)	(418,298)	(437,091)	(18,793)
Fund balance, beginning of year	482,949	482,949	482,949	-
Fund balance, end of year	\$ 463,546	\$ 64,651	\$ 45,858	\$ (18,793)

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, 2012

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fees and charges for services	\$ -	\$ -	\$ 12,320	\$ 12,320
Intergovernmental	-	16,275	4,000	(12,275)
Investment income	692	692	665	(27)
Total revenues	692	16,967	16,985	18
Expenditures:				
Culture and recreation:				
Current	11,890	16,275	8,041	8,234
Total expenditures	11,890	16,275	8,041	8,234
Excess (deficiency) of revenues over expenditures	(11,198)	692	8,944	8,252
Net change in fund balance	(11,198)	692	8,944	8,252
Fund balance, beginning of year	119,157	119,157	119,157	-
Fund balance, end of year	\$ 107,959	\$ 119,849	\$ 128,101	\$ 8,252

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, 2012

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 10,000	\$ 159,125	\$ 217,339	\$ 58,214
Investment income	2,224	2,224	2,901	677
Fines and forfeitures	1,800	1,800	2,919	1,119
Total revenues	14,024	163,149	223,159	60,010
Expenditures:				
Culture and recreation:				
Current	943,452	1,062,855	934,671	128,184
Capital outlay	3,429	60,513	13,761	46,752
Total expenditures	946,881	1,123,368	948,432	174,936
Excess (deficiency) of revenues over expenditures	(932,857)	(960,219)	(725,273)	234,946
Other financing sources (uses):				
Transfers In	931,654	931,654	931,654	.
Total other financing sources (uses)	931,654	931,654	931,654	.
Net change in fund balance	(1,203)	(28,565)	206,381	234,946
Fund balance, beginning of year	126,634	126,634	126,634	.
Fund balance, end of year	\$ 125,431	\$ 98,069	\$ 333,015	\$ 234,946

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ 1	\$ 1
Total revenues	-	-	1	1
Expenditures:				
Public safety, Current	30,000	30,000	30,000	-
Total expenditures	30,000	30,000	30,000	-
Excess (deficiency) of revenues over expenditures	(30,000)	(30,000)	(29,999)	1
Other financing sources (uses):				
Transfers in	30,000	30,498	30,498	-
Total other financing sources (uses)	30,000	30,498	30,498	-
Net change in fund balance	-	498	499	1
Fund balance, beginning of year	(499)	(499)	(499)	-
Fund balance, end of year	\$ (499)	\$ (1)	\$ -	\$ 1

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, 2012

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ 346	\$ 346	\$ 382	\$ 36
Fines and forfeitures	25,000	25,000	32,735	7,735
Other	5,000	5,000	3,660	(1,340)
Total revenues	30,346	30,346	36,777	6,431
Expenditures:				
Culture and recreation:				
Current	25,000	31,353	30,313	1,040
Total expenditures	25,000	31,353	30,313	1,040
Net change in fund balance	5,346	(1,007)	6,464	7,471
Fund balance, beginning of year	59,248	59,248	59,248	-
Fund balance, end of year	\$ 64,594	\$ 58,241	\$ 65,712	\$ 7,471

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, 2012

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ 409	\$ 409	\$ 335	\$ (74)
Total revenues	409	409	335	(74)
Expenditures:				
Culture and recreation:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	409	409	335	(74)
Net change in fund balance	409	409	335	(74)
Fund balance, beginning of year	55,437	55,437	55,437	-
Fund balance, end of year	\$ 55,846	\$ 55,846	\$ 55,772	\$ (74)

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, 2012

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ 2,278	\$ 2,278	\$ 1,414	\$ (864)
Other	-	-	500	500
Total revenues	2,278	2,278	1,914	(364)
Expenditures:				
Culture and recreation:				
Current	262,989	283,333	180,039	103,294
Capital outlay	-	10,000	9,919	81
Total expenditures	262,989	293,333	189,958	103,375
Excess (deficiency) of revenues over expenditures	(260,711)	(291,055)	(188,044)	103,011
Other financing sources (uses):				
Transfers in	650,000	627,608	650,000	22,392
Transfers out	(532,298)	(532,298)	(532,298)	-
Total other financing sources (uses)	117,702	95,310	117,702	22,392
Net change in fund balance	(143,009)	(195,745)	(70,342)	125,403
Fund balance, beginning of year	256,175	256,175	256,175	-
Fund balance, end of year	\$ 113,168	\$ 60,430	\$ 185,833	\$ 125,403

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ 31	\$ 31
Intergovernmental	-	31,000	27,389	(3,611)
Fees and charges for services	80,000	81,000	85,685	4,685
Investment income	4,824	4,824	4,808	(216)
Other	-	1,000	7,468	6,468
Total revenues	84,824	117,824	125,181	7,357
Expenditures:				
Culture and recreation:				
Current	1,637,498	1,653,758	1,435,204	218,554
Capital outlay	-	6,330	6,325	5
Total expenditures	1,637,498	1,660,088	1,441,529	218,559
Excess (deficiency) of revenues over expenditures	(1,552,674)	(1,542,264)	(1,316,348)	225,916
Other financing sources (uses):				
Transfers in	1,404,511	1,404,511	1,479,959	75,448
Operating transfers out	(22,790)	(22,790)	(22,790)	-
Total other financing sources (uses)	1,479,959	1,381,721	1,457,169	75,448
Net change in fund balance	(72,715)	(160,543)	140,821	301,364
Fund balance, beginning of year	432,665	432,665	432,665	-
Fund balance, end of year	\$ 359,950	\$ 272,122	\$ 573,486	\$ 301,364

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, 2012

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ 11,735	\$ 13,235	\$ 10,175	\$ (3,060)
Total revenues	11,735	13,235	10,175	(3,060)
Expenditures:				
Culture and recreation:				
Current	-	-	74,561	(74,561)
Capital outlay	284,984	284,984	-	284,984
Total expenditures	284,984	284,984	74,561	210,423
Excess (deficiency) of revenues over expenditures	(273,249)	(271,749)	(64,386)	207,363
Other financing sources (uses):				
Transfers in	284,984	284,984	284,984	-
Total other financing sources (uses)	284,984	284,984	284,984	-
Net change in fund balance	11,735	13,235	220,598	207,363
Fund balance, beginning of year	779,119	779,119	779,119	-
Fund balance, end of year	\$ 790,854	\$ 792,354	\$ 999,717	\$ 207,363

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, 2012

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Donations and support	\$ 66,800	\$ 80,175	\$ 59,920	\$ (20,255)
Investment income	971	971	798	(173)
Total revenues	67,771	81,146	60,718	(20,428)
Expenditures:				
Culture and recreation:				
Current	68,579	80,979	63,958	17,021
Capital Outlay	-	1,400	1,307	93
Total expenditures	68,579	82,379	65,265	17,114
Excess (deficiency) of revenues over expenditures	(808)	(1,233)	(4,547)	(3,314)
Net change in fund balance	(808)	(1,233)	(4,547)	(3,314)
Fund balance, beginning of year	130,747	130,747	130,747	-
Fund balance, end of year	\$ 129,939	\$ 129,514	\$ 126,200	\$ (3,314)

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Nonmajor Governmental Funds Capital Projects Funds

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

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.

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

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.

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

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.

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.

Major Governmental Funds Capital Projects Funds

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, 2012

Assets							
	Cash, Investments and Cash Equivalents	Tax Receivable	Grants Receivable	Interest Receivable	Total Assets	Accounts Payable	Accrued Wages Payable
General Government:							
CIP Reallocation	\$ 168,314	\$ -	\$ -	\$ 17,490	\$ 175,804	\$ -	\$ -
Resource Conservation	220,264	-	-	-	220,264	-	-
Building Renovations	2,478,653	-	53,635	-	2,532,188	212,337	627
Special Projects	-	-	-	-	-	3,871	-
Total General Government	2,857,131	-	53,635	17,490	2,928,256	216,208	627
Public Works:							
Bond Acquisition	79,494	-	-	-	79,494	-	-
City Drainage Projects	167,978	-	134,367	-	302,343	-	-
Landfill Projects	1	-	-	-	1	-	-
City Paving Projects	8,195,083	105,413	59,588	2,141	8,362,203	28,514	11,946
Santa Fe River Channel	53,541	-	-	-	53,541	8,430	-
City Signalization Projects	880,636	-	-	-	880,636	3,509	-
City Street Const. Projects	2,801,514	-	578,251	-	3,179,765	80,622	-
City Sidewalk Projects	861,455	-	-	-	861,455	24,650	399
Zia Road Street Lighting	255,582	-	-	-	255,582	-	-
Total Public Works	13,095,282	105,413	772,184	2,141	13,975,020	126,725	12,345
Community Development:							
Affordable Housing Program	933,271	-	-	-	933,271	-	-
Public Care Facilities	2,128,142	-	-	-	2,128,142	4,808	617
Total Community Development	3,061,413	-	-	-	3,061,413	4,808	617
Culture and Recreation:							
Art for CIP Projects	554,662	-	-	-	554,662	1,736	-
Museums	1,624	-	-	-	1,624	-	-
City Parks Improvements	10,322,445	-	16,876	10,084	10,349,405	474,355	29,967
Open Space Acquisition	478,827	-	-	-	478,827	17,266	-
Library Improvements	1,086	-	-	-	1,086	-	-
Total Culture and Recreation	11,356,644	-	16,876	10,084	11,383,604	493,357	29,967
Totals - June 30, 2012	\$ 30,370,470	\$ 105,413	\$ 842,695	\$ 29,715	\$ 31,348,293	\$ 841,098	\$ 43,566

Liabilities				Fund Balance Spendable				Total Liabilities and Fund Balances
Due to Other Funds	Deferred Revenue	Deposits/ Escrows	Total Liabilities	Restricted	Assigned	Unassigned	Total Fund Balances	
\$ -	\$ -	\$ -	-	\$ -	\$ 175,804	\$ -	\$ 175,804	\$ 175,804
-	-	-	-	-	220,264	-	220,264	220,284
-	-	-	212,964	2,319,224	-	-	2,319,224	2,532,188
362,817	-	-	366,488	-	-	(366,488)	(366,488)	-
362,817	-	-	579,452	2,319,224	396,068	(366,488)	2,348,804	2,928,256
-	-	-	-	-	79,494	-	79,494	79,494
-	-	-	-	-	302,343	-	302,343	302,343
-	-	-	-	-	1	-	1	1
-	-	-	41,460	8,320,743	-	-	8,320,743	8,362,203
-	10,758	-	19,188	-	34,353	-	34,353	53,541
-	-	-	3,509	-	877,127	-	877,127	880,636
-	-	100,000	180,622	3,018,143	-	-	3,019,143	3,179,785
-	-	-	25,049	-	838,408	-	838,408	861,455
-	-	-	-	-	255,582	-	255,582	255,582
-	10,758	100,000	249,828	11,339,886	2,385,306	-	13,725,192	13,975,020
-	-	-	-	-	933,271	-	933,271	933,271
-	-	-	5,425	2,122,717	-	-	2,122,717	2,128,142
-	-	-	5,425	2,122,717	933,271	-	3,055,988	3,061,413
-	-	-	1,736	-	552,926	-	552,926	554,662
-	-	-	-	-	1,624	-	1,624	1,624
-	-	-	504,322	9,845,083	-	-	9,845,083	10,349,405
-	-	-	17,266	459,581	-	-	459,581	478,827
-	-	-	-	-	1,086	-	1,086	1,086
-	-	-	523,324	10,304,644	555,636	-	10,860,280	11,383,604
\$ 362,817	\$ 10,758	\$ 100,000	\$ 1,358,029	\$ 26,086,471	\$ 4,270,281	\$ (366,488)	\$ 29,990,264	\$ 31,348,293

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Revenues, Expenditures
and Change in Fund Balances
Nonmajor Governmental Funds
Capital Projects
For the Year Ended June 30, 2012

	Revenues				Expenditures		
	Taxes	Intergov- ernmental	Investment Income	Other Revenues	Total Revenues	Current	Capital Outlay
General Government:							
CIP Reallocation	\$ -	\$ -	\$ 62,124	\$ -	\$ 62,124	\$ 7,031	\$ -
Resource Conservation	-	-	-	-	-	-	-
Building Renovations	-	81,518	-	4,575	86,094	89,944	933,756
Special Projects	-	-	-	-	-	90,567	-
Total General Government	-	81,518	62,124	4,575	148,218	187,542	933,756
Public Works:							
Bond Acquisition	-	-	-	-	-	-	-
City Drainage Projects	-	207,587	-	-	207,587	-	207,587
Landfill Projects	-	-	-	-	-	-	-
City Paving Projects	1,419,199	59,586	9,316	-	1,488,081	1,099,442	216,872
Santa Fe River Channel	-	76,753	-	-	76,753	-	95,841
City Signalization Projects	-	-	-	4,270	4,270	177	28,665
City Street Const Projects	-	5,410,278	-	47,775	5,458,053	105,032	8,776,501
City Sidewalk Projects	-	142,634	-	-	142,834	1,168	376,501
Zia Road Street Lighting	-	-	-	-	-	-	10,228
Total Public Works	1,419,199	5,898,998	9,316	52,045	7,377,558	1,205,817	7,112,275
Community Development:							
Affordable Housing Program	-	-	-	-	-	-	-
Public Care Facilities	-	92,838	-	-	92,838	9,813	327,892
Total Community Development	-	92,838	-	-	92,838	9,813	327,892
Culture and Recreation:							
Art for CIP Projects	-	-	-	-	-	151,098	-
Museums	-	-	-	1	1	-	-
City Parks Improvements	-	16,876	43,006	600	60,482	729,021	6,613,446
Open Space Acquisition	-	193,955	-	-	193,955	-	399,557
Library Improvements	-	-	-	-	-	468	3,920
Total Culture and Recreation	-	210,831	43,006	601	254,438	880,587	7,016,923
Totals - June 30, 2012	\$ 1,419,199	\$ 6,282,186	\$ 114,446	\$ 57,221	\$ 7,873,052	\$ 2,283,759	\$ 15,390,846

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
\$ 7,031	\$ 55,093	\$ -	\$ (387,501)	\$ (332,408)	\$ 508,212	\$ 175,804
1,023,700	(937,606)	200,000	-	200,000	20,264	220,264
90,567	(90,567)	2,562,046	(33,100)	1,591,340	727,884	2,319,224
		123,931	-	33,364	(399,852)	(266,488)
1,121,298	(973,080)	2,885,977	(420,601)	1,492,296	856,508	2,348,804
-	-	-	-	-	78,494	78,494
207,567	-	300,000	-	300,000	2,343	302,343
1,316,314	171,767	6,513,574	-	6,685,341	1,635,402	8,320,743
95,941	(19,188)	-	-	(19,188)	53,541	34,353
28,842	(24,572)	700,650	-	676,078	201,049	877,127
6,281,533	(823,480)	1,610,000	(25,194)	761,326	2,257,817	3,019,143
377,567	(234,833)	800,000	-	565,167	271,239	836,406
10,228	(10,228)	120,000	-	109,772	145,810	255,582
8,318,392	(940,534)	10,244,224	(225,194)	9,078,496	4,646,696	13,725,192
-	-	800,000	-	800,000	133,271	933,271
337,705	(244,867)	1,300,000	-	1,055,133	1,067,584	2,122,717
337,705	(244,867)	2,100,000	-	1,855,133	1,200,855	3,055,988
151,098	(151,088)	400,000	-	248,902	304,024	552,926
-	1	-	-	1	1,623	1,624
7,342,467	(7,281,985)	15,835,883	(2,012,385)	6,541,513	3,303,570	9,845,083
399,557	(205,602)	-	-	(205,602)	665,163	459,561
4,988	(4,388)	-	-	(4,388)	5,474	1,086
7,897,510	(7,643,072)	16,235,883	(2,012,385)	6,580,426	4,279,854	10,860,280
\$ 17,674,605	\$ (9,801,553)	\$ 31,406,084	\$ (2,656,180)	\$ 19,005,351	\$ 10,983,913	\$ 29,990,264

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ -	\$ 55,000	\$ 62,124	\$ 7,124
Total revenues	-	55,000	62,124	7,124
Expenditures:				
General government:				
Current	-	-	7,031	(7,031)
Total expenditures	-	-	7,031	(7,031)
Excess (deficiency) of revenues over expenditures	-	55,000	55,093	93
Other financing sources (uses):				
Transfers out	-	(387,501)	(387,501)	-
Total other financing sources (uses)	-	(387,501)	(387,501)	-
Net change in fund balance	-	(332,501)	(332,408)	93
Fund balance, beginning of year	508,212	508,212	508,212	-
Fund balance, end of year	\$ 508,212	\$ 175,711	\$ 175,804	\$ 93

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Current	\$ -	\$ 207,840	\$ -	\$ 207,840
Capital outlay	-	12,424	-	12,424
Total expenditures	-	220,264	-	220,264
Excess (deficiency) of revenues over expenditures	-	(220,264)	-	220,264
Other financing sources (uses):				
Transfers in	-	200,000	200,000	-
Total other financing sources (uses)	-	200,000	200,000	-
Net changes in fund balance	-	(20,264)	200,000	220,264
Fund balance, beginning of year	20,264	20,264	20,264	-
Fund balance, end of year	\$ 20,264	\$ -	\$ 220,264	\$ 220,264

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 236,952	\$ 81,519	\$ (155,433)
Other revenues	-	4,575	4,575	-
Total revenues	-	241,527	86,094	(155,433)
Expenditures:				
General government:				
Current	-	824,369	89,944	734,425
Capital outlay	-	2,524,442	933,756	1,590,686
Total expenditures	-	3,348,811	1,023,700	2,325,111
Excess (deficiency) of revenues over expenditures	-	(3,107,284)	(937,606)	2,169,678
Other financing sources (uses):				
Transfers in	-	2,562,046	2,562,046	-
Transfers out	-	(33,100)	(33,100)	-
Total other financing sources (uses)	-	2,528,946	2,528,946	-
Net change in fund balance	-	(578,338)	1,591,340	2,169,678
Fund balance, beginning of year	727,884	727,884	727,884	-
Fund balance, end of year	\$ 727,884	\$ 149,546	\$ 2,319,224	\$ 2,169,678

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Expenditures:				
Public works:				
Current	\$ -	\$ 125,784	\$ 90,567	\$ 35,217
Total expenditures	-	125,784	90,567	35,217
Excess (deficiency) of revenues over expenditures	-	(125,784)	(90,567)	35,217
Other financing sources (uses):				
Transfers in	-	123,931	123,931	-
Total other financing sources (uses)	-	123,931	123,931	-
Net change in fund balance	-	(1,853)	33,364	35,217
Fund balance, beginning of year	(399,852)	(399,852)	(399,852)	-
Fund balance, end of year	\$ (399,852)	\$ (401,705)	\$ (366,488)	\$ 35,217

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Expenditures:				
Public works:				
Capital outlay	\$ -	\$ 79,494	\$ -	79,494
Total expenditures	-	79,494	-	79,494
Excess (deficiency) of revenues over expenditures	-	(79,494)	-	79,494
Net change in fund balance	-	(79,494)	-	79,494
Fund balance, beginning of year	79,494	79,494	79,494	-
Fund balance, end of year	\$ 79,494	\$ -	\$ 79,494	\$ 79,494

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 211,056	\$ 207,567	\$ (3,489)
Total revenues	-	211,056	207,567	(3,489)
Expenditures:				
Public works:				
Current	-	25,000	-	25,000
Capital outlay	-	486,056	207,567	278,489
Total expenditures	-	511,056	207,567	303,489
Excess (deficiency) of revenues over expenditures	-	(300,000)	-	300,000
Other financing sources (uses):				
Transfers in	-	300,000	300,000	-
Total other financing sources (uses)	-	300,000	300,000	-
Net change in fund balance	-	-	300,000	300,000
Fund balance, beginning of year	2,343	2,343	2,343	-
Fund balance, end of year	\$ 2,343	\$ 2,343	\$ 302,343	\$ 300,000

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	1	1	1	-
Fund balance, end of year	\$ 1	\$ 1	\$ 1	\$ -

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,405,000	\$ 1,405,000	\$ 1,419,199	\$ 14,199
Intergovernmental	-	708,329	59,566	(648,763)
Interest on investments	-	10,000	9,316	(684)
Total revenues	1,405,000	2,123,329	1,488,081	(635,248)
Expenditures:				
Public works:				
Current	852,935	1,034,202	1,099,442	(65,240)
Capital outlay	9,000	7,587,009	216,872	7,370,137
Total expenditures	861,935	8,621,211	1,316,314	7,304,897
Excess (deficiency) of revenues over expenditures	543,065	(6,497,882)	171,767	6,669,649
Other financing sources (uses):				
Transfers in	-	6,513,574	6,513,574	
Total other financing sources (uses)	-	6,513,574	6,513,574	-
Net change in fund balance	543,065	15,692	6,685,341	6,669,649
Fund balance, beginning of year	1,635,402	1,635,402	1,635,402	-
Fund balance, end of year	\$ 2,178,467	\$ 1,651,094	\$ 8,320,743	\$ 6,669,649

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 95,941	\$ 76,753	\$ (19,188)
Total revenues	-	95,941	76,753	(19,188)
Expenditures:				
Public works:				
Current	-	119,828	95,941	23,887
Total expenditures	-	119,828	95,941	23,887
Excess (deficiency) of revenues over expenditures	-	(23,887)	(19,188)	4,699
Net change in fund balance	-	(23,887)	(19,188)	4,699
Fund balance, beginning of year	53,541	53,541	53,541	-
Fund balance, end of year	\$ 53,541	\$ 29,654	\$ 34,353	4,699

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Other revenue	\$ -	\$ 4,270	\$ 4,270	\$ -
Total revenues	-	4,270	4,270	-
Expenditures:				
Public works:				
Current	-	6,120	177	6,943
Capital outlay	-	822,360	28,665	793,695
Total expenditures	-	828,480	28,842	799,638
Excess (deficiency) of revenues over expenditures	-	(824,210)	(24,572)	799,638
Other financing sources (uses):				
Transfers in	-	700,650	700,650	-
Total other financing sources (uses)	-	700,650	700,650	-
Net change in fund balance	-	(123,560)	676,076	799,638
Fund balance, beginning of year	201,049	201,049	201,049	-
Fund balance, end of year	\$ 201,049	\$ 77,489	\$ 877,127	\$ 799,638

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	-	5,866,600	5,410,278	(456,322)
Other revenue	78,217	61,550	47,775	(13,775)
Total revenues	78,217	5,928,150	5,458,053	(470,097)
Expenditures:				
Public works:				
Current	16,667	62,120	105,032	(42,912)
Capital outlay	-	9,299,288	6,176,501	3,122,787
Total expenditures	16,667	9,361,408	6,281,533	3,079,875
Excess (deficiency) of revenues over expenditures	61,550	(3,433,258)	(823,480)	2,609,778
Other financing sources (uses):				
Transfers in	-	1,610,000	1,610,000	-
Transfers out	-	(25,194)	(25,194)	-
Total other financing sources (uses)	-	1,584,806	1,584,806	-
Net change in fund balance	61,550	(1,848,452)	761,326	2,609,778
Fund balance, beginning of year	2,257,817	2,257,817	2,257,817	-
Fund balance, end of year	\$ 2,319,367	\$ 409,365	\$ 3,019,143	\$ 2,609,778

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 150,000	\$ 142,834	\$ (7,166)
Total revenues	-	150,000	142,834	(7,166)
Expenditures:				
Public works:				
Current	-	51,100	1,166	49,934
Capital outlay	-	1,163,905	376,501	787,404
Total expenditures	-	1,215,005	377,667	837,338
Excess (deficiency) of revenues over expenditures	-	(1,065,005)	(234,833)	830,172
Other financing sources (uses):				
Transfers in	-	800,000	800,000	-
Total other financing sources (uses)	-	(265,005)	565,167	-
Net change in fund balance	-	(265,005)	565,167	830,172
Fund balance, beginning of year	271,239	271,239	271,239	-
Fund balance, end of year	\$ 271,239	\$ 6,234	\$ 836,406	\$ 830,172

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Expenditures:				
Public works:				
Capital outlay	\$ -	\$ 210,923	\$ 10,228	\$ 200,695
Total expenditures	-	210,923	10,228	200,695
Excess (deficiency) of revenues over expenditures	-	(210,923)	(10,228)	200,695
Other financing sources (uses):				
Transfers in		120,000	120,000	-
Total other financing sources (uses)	-	120,000	120,000	-
Net change in fund balance	-	(90,923)	109,772	200,695
Fund balance, beginning of year	145,810	145,810	145,810	-
Fund balance, end of year	\$ 145,810	\$ 54,887	\$ 255,582	\$ 200,695

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Expenditures:				
Community development				
Current	\$ -	\$ 800,000	\$ -	\$ 800,000
Capital outlay	-	133,271	-	133,271
Total expenditures	-	933,271	-	933,271
Excess (deficiency) of revenues over expenditures	-	(933,271)	-	933,271
Other financing sources (uses):				
Transfers in	-	800,000	800,000	-
Total other financing sources (uses)	-	800,000	800,000	-
Net change in fund balance	-	(133,271)	800,000	933,271
Fund balance, beginning of year	133,271	133,271	133,271	-
Fund balance, end of year	\$ 133,271	\$ -	\$ 933,271	\$ 933,271

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 360,346	\$ 92,838	\$ (267,507)
Total revenues	-	360,346	92,838	(267,507)
Expenditures:				
Community welfare:				
Current	-	95,000	9,813	85,187
Capital outlay	-	2,616,174	327,892	2,288,282
Total expenditures	-	2,711,174	337,705	2,373,469
Excess (deficiency) of revenues over expenditures	-	(2,350,829)	(244,867)	2,105,962
Other financing sources (uses):				
Transfers in	-	1,300,000	1,300,000	-
Total other financing sources (uses)		1,300,000	1,300,000	-
Net change in fund balance		(1,050,829)	1,055,133	2,105,962
Fund balance, beginning of year	1,067,584	1,067,584	1,067,584	-
Fund balance, end of year	\$ 1,067,584	\$ 16,755	\$ 2,122,717	\$ 2,105,962

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Expenditures:				
Culture and recreation:				
Current	\$ 152,098	\$ 274,306	\$ 151,098	\$ 123,208
Total expenditures	152,098	274,306	151,098	123,208
Excess (deficiency) of revenues over expenditures	(152,098)	(274,306)	(151,098)	123,208
Other financing sources (uses):				
Transfers in	-	400,000	400,000	-
Total other financing sources (uses)	-	400,000	400,000	-
Net change in fund balance	(152,098)	125,694	246,902	123,208
Fund balance, beginning of year	304,024	304,024	304,024	-
Fund balance, end of year	\$ 151,926	\$ 429,718	\$ 552,926	\$ 123,208

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	-
Other revenues	-	-	1	1
Total revenues	-	-	1	1
Expenditures:				
Culture and recreation:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	1	1
Net change in fund balance	-	-	1	1
Fund balance, beginning of year	1,623	1,623	1,623	-
Fund balance, end of year	\$ 1,623	\$ 1,623	\$ 1,624	\$ 1

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 271,726	\$ 16,876	\$ (254,850)
Interest on investments	51,116	47,116	43,006	(4,110)
Other revenue	-	-	800	800
Total revenues	51,116	316,842	60,482	(258,360)
Expenditures:				
Culture and recreation:				
Current	-	3,850,907	729,021	3,121,886
Capital outlay	-	13,974,812	6,613,446	7,361,366
Total expenditures	-	17,825,719	7,342,467	10,483,252
Excess (deficiency) of revenues over expenditures	51,116	(17,506,877)	(7,281,985)	10,224,892
Other financing sources (uses):				
Transfers in	-	15,835,883	15,835,883	-
Transfers out	-	(2,012,385)	(2,012,385)	-
Total other financing sources (uses)	-	13,823,498	13,823,498	-
Net change in fund balance	51,116	(3,683,379)	6,541,513	10,224,892
Fund balance, beginning of year	3,303,570	3,303,570	3,303,570	-
Fund balance, end of year	\$ 3,354,686	\$ (379,809)	\$ 9,845,083	\$ 10,224,892

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 200,277	\$ 193,955	\$ (6,322)
Total revenues	-	200,277	193,955	(6,322)
Expenditures:				
Culture and recreation:				
Current	-	11,560	-	11,560
Capital outlay	-	552,221	399,557	162,664
Total expenditures	-	563,781	399,557	164,224
Excess (deficiency) of revenues over expenditures	-	(363,504)	(205,602)	157,902
Net change in fund balance	-	(363,504)	(205,602)	157,902
Fund balance, beginning of year	665,163	665,163	665,163	-
Fund balance, end of year	\$ 665,163	\$ 301,659	\$ 459,561	\$ 157,902

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, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget- Positive (Negative)
	Original	Final		
Expenditures:				
Cultural and Recreation:				
Current	\$ -	\$ 462	\$ 468	\$ (6)
Capital Outlay	-	4,950	3,920	1,030
Total expenditures	-	5,412	4,388	1,024
Excess (deficiency) of revenues over expenditures	-	(5,412)	(4,388)	1,024
Net changes in fund balance	-	(5,412)	(4,388)	1,024
Fund balance, beginning of year	5,474	5,474	5,474	-
Fund balance, end of year	\$ 5,474	\$ 62	\$ 1,086	\$ 1,024

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 14,053,519	\$ 14,053,519	\$ 14,814,638	\$ 761,119
Investment income	61,612	-	-	-
Other revenue	-	300	348	49
Total revenues	14,115,131	14,053,819	14,814,987	761,168
Expenditures:				
General government:				
Current	2,702,282	2,852,790	2,437,698	415,092
Capital outlay	137,000	92,202	99,035	(6,833)
Total expenditures	2,839,282	2,944,992	2,536,733	408,259
Excess (deficiency) of revenues over expenditures	11,275,849	11,108,827	12,278,254	1,169,427
Other financing sources (uses):				
Transfers in	4,422,000	4,329,386	1,229,386	(3,100,000)
Transfers out	(14,375,737)	(14,973,619)	(14,973,619)	-
Total other financing sources (uses)	(9,953,737)	(10,644,233)	(13,744,233)	(3,100,000)
Net change in fund balance	1,322,112	464,594	(1,465,979)	(1,930,573)
Fund balance, beginning of year	12,659,696	12,659,696	12,659,696	-
Fund balance, end of year	\$ 13,981,808	\$ 13,124,290	\$ 11,193,717	\$ (1,930,573)

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

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 115,908	\$ 128,308	\$ 118,627	\$ (9,681)
Property Tax Revenue	2,455,632	2,455,632	2,641,524	185,892
Reimbursements/Refunds	-	28,040	28,039	(1)
Gain on Sale - Investments		-	(514)	(514)
Miscellaneous Revenue	163,341	-	-	-
Total revenues	2,734,881	2,611,980	2,787,676	175,696
Expenditures:				
Debt service:				
Principal payments	9,148,688	23,538,688	23,538,688	-
Interest and fiscal agent fees	-	6,208,432	6,202,697	5,735
Bond issuance costs	-	401,987	401,987	-
Total expenditures	9,148,688	30,149,107	30,143,372	5,735
Excess (deficiency) of revenues over expenditures	(6,413,807)	(27,537,127)	(27,355,696)	181,431
Other financing sources (uses):				
Operating transfers in	11,821,135	30,266,745	30,266,745	-
Operating transfers out	(48,384)	(51,557,023)	(51,557,023)	-
HUD loan payments(flow through)	-	-	30,973	30,973
Issuance of bonds				
Face value of bonds issued	-	32,725,000	32,725,000	-
Premium on issuance of bond	-	4,992,779	4,992,779	-
Total other financing sources (uses)	11,772,751	16,427,501	16,458,474	30,973
Net change in fund balance	5,358,944	(11,109,626)	(10,897,222)	212,404
Fund balance, beginning of year	71,029,351	17,092,094	16,409,322	682,772
Fund balance, end of year	\$ 76,388,295	\$ 5,982,468	\$ 5,512,100	\$ (470,368)

CITY OF SANTA FE, NEW MEXICO
Major Governmental Fund
Debt Service Fund
Combining Balance Sheet
For the Year Ended June 30, 2012

	General Obligation 2008 Debt Service	General Obligation 2010 Debt Service	GRT 2002 Debt Service	GRT 2004A Debt Service	GRT Rebanding 2004B Debt Service	GRT 2006 Debt Service	GRT 2008 CD Debt Service
Assets							
Cash and Investments	\$ 871,600	\$ 451,523	\$ 2,020	\$ 48,347	\$ 88	\$ 372	\$ 428
Restricted cash, cash equivalents and investments:							
Restricted for debt service payments	1,826,880	947,951	-	2,151	-	129,095	109,614
Receivables							
Property taxes	15,375	7,954	-	-	-	-	-
Interest	4,140	2,145	4	175	-	349	301
Total Assets	\$ 2,721,001	\$ 1,409,583	\$ 2,032	\$ 50,673	\$ 88	\$ 129,816	\$ 110,343
Liabilities and Fund Balances							
Liabilities:							
Vouchers payable	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	-
Fund balances:							
Fund balance:							
Reserve, designated for, reported in:							
Debt service	2,329,882	1,049,500	2,032	50,673	88	129,816	110,343
Capital projects	391,119	360,083	-	-	-	-	-
Total Fund Balances	2,721,001	1,409,583	2,032	50,673	88	129,816	110,343
Total liabilities and fund balances	\$ 2,721,001	\$ 1,409,583	\$ 2,032	\$ 50,673	\$ 88	\$ 129,816	\$ 110,343

GRT Refunding 2008B Debt Service	GRT Refunding 2010A Debt Service	DRTCP & Ref. 2012A Debt Service	NMFA-Fire Department Debt Service	HUD Section 108 Loan Debt Service	NMFA-Parking Loan Debt Service	NMFA-Land Acquisition Debt Service	TOTAL	
\$ 78,410	\$ 1,134	\$ 42,503	\$ 189,208	\$ 120	\$ 9	\$ 136	\$ 1,883,808	Assets
-	517,717	122,377	117,214	41,954	3	1	3,817,873	Cash and Investments
-	-	-	-	-	-	-	-	Restricted cash, cash equivalents and investments: Restricted for debt service payments
4,025	499	14,645	260	-	275	81	23,339	Receivables
-	-	-	-	-	-	-	-	Property taxes
-	-	-	-	-	-	-	-	Interest
\$ 80,435	\$ 519,350	\$ 179,528	\$ 306,682	\$ 42,084	\$ 287	\$ 228	\$ 5,552,130	Total Assets
-	-	-	-	30	-	-	30	Liabilities and Fund Balances
-	-	-	-	40,000	-	-	40,000	Liabilities
-	-	-	-	-	-	-	-	Vouchers payable
-	-	-	-	-	-	-	-	Other current liabilities
-	-	-	-	40,030	-	-	40,030	Total Liabilities
80,435	519,350	179,528	306,682	2,054	287	228	4,760,898	Fund balances
-	-	-	-	-	-	-	751,202	Fund balance
80,435	519,350	179,528	306,682	2,054	287	228	5,512,100	Reserve, designated for, reported in: Debt service
-	-	-	-	-	-	-	-	Capital projects
\$ 80,435	\$ 519,350	\$ 179,528	\$ 306,682	\$ 42,084	\$ 287	\$ 228	\$ 5,552,130	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, 2012

	General Obligation 2008 Debt Service	General Obligation 2010 Debt Service	GRT 2002 Debt Service	GRT 2004A Debt Service	GRT Refunding 2004B Debt Service	GRT 2006 Debt Service	GRT 2006 CP Debt Service
REVENUES:							
Taxes							
Property	\$ 1,196,272	\$ 1,445,252	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	26,651	15,910	(207)	628	(509)	1,370	982
Reimbursements/Refunds	-	-	-	-	-	-	-
Gain on Sale - Investments	-	-	(2)	(78)	-	(156)	-
Total Revenues	1,223,123	1,461,162	(209)	550	(509)	1,214	982
EXPENDITURES:							
Debt service:							
Principal payments	775,000	465,000	-	14,390,000	-	190,000	-
Interest and fiscal agent fees	783,268	336,199	2,902	1,239,548	-	734,560	1,042,381
Bond Issuance Costs	-	-	-	-	-	-	-
Total Expenditures	1,558,268	801,199	2,902	15,629,548	-	924,560	1,042,381
Excess (deficiency) of revenues over expenditures	(335,145)	659,963	(3,111)	(15,628,998)	(509)	(710,346)	(1,041,409)
OTHER FINANCING SOURCES (USES):							
Operating Transfers In	610,111	1,503,731	-	15,945,164	2,949	881,793	1,070,034
Operating Transfers Out	(1,851,245)	(11,443,648)	(6,912)	(316,839)	(6,912)	(6,912)	(6,912)
Other Sources	-	-	-	-	-	-	-
Other Uses	-	-	-	-	-	-	-
Issuance of Bonds							
Bonds Proceeds	-	-	-	-	-	-	-
Bond Premiums	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,241,134)	(9,939,917)	(6,912)	15,628,325	(3,963)	874,881	1,063,122
Net change in fund balance	(1,376,279)	(9,280,954)	(10,023)	(2,673)	(4,472)	51,535	21,713
Fund balance, beginning of year	4,297,260	10,691,537	12,055	53,345	4,561	78,282	88,630
Fund balance, end of year	\$ 2,920,981	\$ 1,410,583	\$ 2,032	\$ 50,672	\$ 89	\$ 129,817	\$ 110,343

GRT Refunding 2008B Debt Service	GRT Refunding 2010A Debt Service	GRT Refunding/OP 2012A Debt Service	NMFA-Fire Department Debt Service	HUD Section 108 Loan Debt Service	NMFA-Parking Loan Debt Service	NMFA-Land Acquisition Debt Service	TOTAL	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,841,524	REVENUES:
10,680	1,891	52,274	1,807	6	591	345	116,027	Taxes
-	28,039	-	-	-	-	-	28,039	Property
-	-	-	(113)	-	(124)	(41)	(514)	Investment Income
-	-	-	-	-	-	-	-	Reimbursements/Refunds
-	-	-	-	-	-	-	-	Gain on Sale - Investments
10,680	29,930	52,274	1,694	6	467	304	2,787,576	Total Revenue
7,060,000	-	-	154,000	10,000	347,049	139,830	23,538,688	EXPENDITURES:
285,936	623,467	368,255	8,508	13,116	627,246	136,301	6,202,697	Debt service:
-	-	401,987	-	-	-	-	401,987	Principal payments
-	-	-	-	-	-	-	-	Interest and fiscal agent fees
-	-	-	-	-	-	-	-	Bond Issuance Costs
7,345,936	623,467	770,242	163,517	31,116	974,295	275,931	30,143,372	Total Expenditures
(7,327,248)	(593,537)	(717,968)	(161,823)	(31,110)	(973,828)	(275,627)	(27,355,896)	Excess (deficiency) of revenues over expenditures
7,345,589	1,060,550	490,210	-	-	977,048	279,581	30,266,746	OTHER FINANCING SOURCES (USES)
(575,718)	-	(37,310,501)	-	(15,800)	(5,912)	(6,912)	(51,557,023)	Operating Transfers In
-	-	-	-	30,973	-	-	30,973	Operating Transfers Out
-	-	-	-	-	-	-	-	Other Sources
-	-	-	-	-	-	-	-	Other Uses
-	-	32,725,000	-	-	-	-	32,725,000	Issuance of Bonds
-	-	4,992,779	-	-	-	-	4,992,779	Bonds Proceeds
6,769,851	1,060,550	897,499	-	15,373	970,133	272,669	16,458,474	Total other financing sources (uses)
(557,397)	467,013	179,528	(161,823)	(15,737)	(3,895)	(2,958)	(10,897,222)	Net change in fund balance
637,832	62,337	-	468,705	17,792	3,781	3,185	16,409,322	Fund balance, beginning of year
\$ 80,435	\$ 619,350	\$ 179,528	\$ 306,882	\$ 2,055	\$ 80	\$ 227	\$ 5,512,100	Fund balance, end of year

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Nonmajor Enterprise Funds

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.

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

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
For the Year Ended June 30, 2012

	Municipal Recreation Complex	Parking Enterprise Fund	Transit Bus System
Assets			
Current assets:			
Cash, investments and cash equivalents	\$ -	\$ 859,680	\$ 1,871,047
Grants receivable	1,500	322,834	2,129,865
Receivable (net of allowances)			
Accounts	268,211	7,355	-
Interest receivable	125	1,153	475
Total current assets	269,836	1,191,022	4,001,387
Noncurrent assets:			
Deferred Charges (net of amortization)	245,788	-	-
Capital assets:			
Land and land rights	2,250,000	-	-
Buildings and structures	2,314,761	18,360,390	7,721,323
Utility Systems	-	-	-
Improvements	14,830,114	113,620	768,447
Furniture and fixtures	-	25,754	9,043
Equipment and machinery	850,684	833,768	1,179,005
Vehicles	53,479	449,955	11,273,765
Data processing equipment and software	73,475	529,457	381,284
Art	-	-	180,971
Construction in progress	-	-	375,036
Less accumulated depreciation	(15,106,198)	(3,923,979)	(9,462,394)
Total capital assets (net of accumulated depreciation)	5,266,315	16,388,965	12,404,480
Total noncurrent assets	5,512,103	16,388,965	12,404,480
Total assets	\$ 5,781,939	\$ 17,579,987	\$ 16,405,867
Liabilities			
Current liabilities:			
Accounts payable	\$ 47,683	\$ 88,263	\$ 278,998
Miscellaneous payable	5,888	16,501	-
Accrued wages payable	8,477	44,513	89,510
Bonds payable net of amortization	882,286	-	-
Interest payable	36,319	-	-
Deposits and escrows	605	21,024	14
Due to other funds	735,047	-	-
Total current liabilities	1,716,305	170,301	368,522
Noncurrent liabilities			
Bonds payable net of amortization	9,355,139	-	-
Compensated absences payable	52,966	213,602	388,820
Total noncurrent liabilities	9,408,105	213,602	388,820
Total liabilities	11,124,410	383,903	737,342
Net assets			
Invested in capital assets, net of related debt	(5,780,143)	17,486,830	13,103,906
Unrestricted	437,672	(290,746)	2,564,619
Total net assets	\$ (5,342,471)	\$ 17,196,084	\$ 15,668,525

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

Airport	GCCC	Totals	
\$ 1,053	\$ 1,818,199	\$ 4,549,979	Current assets:
143,109	53,314	2,650,622	Cash, investments and cash equivalents
-	-	275,566	Grants receivable
1	2,052	3,806	Receivable (net of allowances)
			Accounts
			Interest receivable
144,163	1,873,565	7,479,973	Total current assets
			Noncurrent assets:
-	-	245,788	Deferred Charges (net of amortization)
			Capital assets:
129,711	2,072,067	4,451,778	Land and land rights
5,186,017	23,306,768	56,889,259	Buildings and systems
-	29,820	29,820	Utility Systems
16,785,215	198,423	32,693,819	Improvements
-	37,525	72,322	Furniture and fixtures
971,118	527,968	4,382,543	Equipment and machinery
596,733	45,551	12,419,483	Vehicles
2,174	121,126	1,087,516	Data processing equipment and software
-	-	180,971	Art
3,139,672	1,347,275	4,861,983	Construction in progress
(10,490,095)	(6,860,724)	(45,843,390)	Less accumulated depreciation
16,320,545	20,825,799	71,206,104	Total capital assets (net of accumulated depreciation)
16,320,545	20,825,799	71,451,892	Total noncurrent assets
\$ 16,464,708	\$ 22,699,364	\$ 78,931,865	Total assets
			Liabilities
\$ 47,114	\$ 138,002	\$ 600,060	Current liabilities:
-	8,620	31,009	Accounts payable
18,405	45,558	206,463	Miscellaneous payable
-	-	882,286	Accrued wages payable
-	-	36,319	Bonds payable net of amortization
-	16,721	38,364	Interest payable
-	-	735,047	Deposits and escrows
-	-	-	Due to other funds
65,519	208,901	2,529,548	Total current liabilities
			Noncurrent liabilities
-	-	9,355,139	Bonds payable net of amortization
95,925	170,854	902,167	Compensated absences payable
95,925	170,854	10,257,306	Total noncurrent liabilities
161,444	379,755	12,786,854	Total liabilities
			Net assets
14,941,322	21,853,419	61,605,334	Invested in capital assets, net of related debt
1,361,942	466,190	4,539,677	Unrestricted
\$ 16,303,264	\$ 22,319,609	\$ 66,145,011	Total net assets

CITY OF SANTA FE, NEW MEXICO
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2012

	Municipal Recreation Complex	Parking Enterprise Fund	Transit Bus System
Operating revenues:			
User fees	\$ 1,028,257	\$ 4,020,568	\$ 1,276,942
Other revenue	90,312	607,015	127,322
Total operating revenues	1,118,569	4,627,583	1,404,264
Operating expenses:			
Salaries, wages and benefits	480,032	2,762,501	5,528,398
Contractual services and utilities	334,818	383,968	179,116
Repairs and maintenance	17,718	83,040	475,365
Supplies	37,337	181,467	580,689
Capital outlay-inventory exempt items	80,666	10,571	4,878
Depreciation expense	126,060	499,372	1,006,411
Amortization expense	19,670	-	-
Insurance	31,969	117,944	213,524
Bad debt expense	-	(5,362)	-
Other	204,023	890,076	731,129
Total operating expenses	1,332,283	4,923,577	8,719,510
Operating income (loss)	(213,714)	(295,994)	(7,315,248)
Non-operating revenues (expenses):			
Investment income	496	5,774	3,374
Intergovernmental			
Grants	-	-	1,837,267
Gain (Loss) on sale of capital assets	280	-	5,973
Interest expense	(466,078)	-	-
Prem/(Discount) debt service interest	17,286	-	-
Other non-operating (expenses)/income	(56)	(517)	(213)
Total non-operating revenues (expenses)	(448,072)	5,257	1,846,401
Income (loss) before transfers	(661,786)	(290,737)	(5,468,846)
Transfers in	1,142,574	-	8,033,467
Transfers out	(43,115)	-	-
Change in net assets	437,673	(290,737)	2,564,622
Net assets, beginning of year	(5,780,144)	17,486,821	13,103,903
Net assets, beginning of year (restated)	(5,780,144)	17,486,821	13,103,903
Net assets, end of year	\$ (5,342,471)	\$ 17,196,084	\$ 15,668,526

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

Airport		GCCC		Totals		
\$	773,140	\$	1,594,480	\$	8,693,387	Operating revenues:
	247,190		274,556		1,346,395	User fees
	1,020,330		1,869,036		10,039,782	Other revenue
						Total operating revenues
	964,485		2,519,154		12,254,570	Operating expenses:
	170,955		758,999		1,827,858	Salaries, wages and benefits
	13,928		87,308		657,357	Contractual services and utilities
	23,458		193,060		1,016,011	Repairs and maintenance
	309,191		125,862		531,158	Supplies
	1,359,522		500,966		3,492,331	Capital outlay-inventory exempt items
	-		-		19,670	Depreciation expense
	31,571		227,012		622,020	Amortization expense
	-		-		(5,362)	Insurance
	93,464		159,089		2,077,781	Bad debt expense
						Other
	2,966,572		4,551,450		22,493,392	Total operating expenses
	(1,946,242)		(2,682,414)		(12,453,610)	Operating income (loss)
	(125)		9,253		18,772	Non-operating revenues (expenses):
	3,284,358		75,367		5,196,990	Investment income
	6,355		1,656		14,264	Intergovernmental
	-		(242)		(466,320)	Grants
	-		-		17,286	Gain (Loss) on sale of capital assets
	-		(921)		(1,707)	Interest expense
	3,290,588		85,113		4,779,285	Prem/(Discount) debt service interest
						Other non-operating (expenses) / income
						Total non-operating revenues (expenses)
	1,344,344		(2,597,301)		(7,674,325)	Income (loss) before transfers
	84,218		3,549,586		12,809,845	Transfers in
	(66,620)		(486,094)		(595,829)	Transfers out
	1,361,942		466,191		4,539,691	Change in net assets
	14,941,322		21,853,418		61,605,320	Net assets, beginning of year
	14,941,322		21,853,418		61,605,320	Net assets, beginning of year (restated)
\$	16,303,264	\$	22,319,808	\$	66,145,011	Net assets, end of year

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2012

	Municipal Recreation Complex	Parking Enterprise Fund	Transit Bus System
Cash flows from operating activities:			
Cash received from customers	\$ 1,084,796	\$ 4,624,878	\$ 1,404,284
Cash payments to suppliers for goods and services	(274,108)	(1,244,080)	(2,263,607)
Cash paid for interfund services provided and used	-	(397,080)	(640,471)
Cash payments to employees for services	(501,676)	(2,876,828)	(5,785,001)
Net cash provided (used) by operating activities:	289,014	106,690	(7,264,815)
Cash flows from noncapital financing activities:			
Intergovernmental	-	(187,354)	2,183,081
Transfers-in from other funds	1,142,574	-	8,033,487
Transfers-out to other funds	(43,115)	-	-
Net cash provided (used) by noncapital financing activities	1,099,459	(187,354)	10,216,548
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(94,575)	(20,212)	(1,089,992)
Proceeds from sale of capital assets	280	-	5,973
Principal paid on revenue bond maturities and notes payable	(825,000)	-	-
Interest paid on revenue bonds and notes payable	(3,246)	-	-
Net cash used for capital and related financing activities	(922,541)	(20,212)	(1,084,019)
Cash flows from investing activities:			
Interest and dividends on investments	1,206	6,116	3,333
Net cash provided by investing activities	1,206	6,116	3,333
Net increase (decrease) in cash and cash equivalents	467,138	(94,760)	1,871,047
Cash, investments and cash equivalents at beginning of year	(467,138)	954,440	-
Cash, investments and cash equivalents at end of year	\$ -	\$ 859,680	\$ 1,871,047
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (213,714)	\$ (295,994)	\$ (7,315,246)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation/amortization	145,730	499,372	1,008,411
Change in assets and liabilities:			
(increase) decrease in accounts receivable	(53,773)	(2,905)	-
Increase (decrease) in notes payable	-	-	-
Increase (decrease) in accounts payable	18,038	20,502	211,341
Increase (decrease) in compensated absences payable	5,077	(1,547)	(28,930)
Increase (decrease) in accrued wages payable	(26,721)	(112,095)	(207,873)
Increase (decrease) in miscellaneous payable	(86)	(685)	-
Increase (decrease) in escrow	-	42	-
Increase (decrease) in due to other funds	414,443	-	(930,718)
Total adjustments	502,728	402,884	50,431
Net cash provided (used) by operating activities	\$ 289,014	\$ 106,690	\$ (7,264,815)

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

Airport		GCCG		Totals	
\$	1,020,330	\$	1,889,036	\$	9,983,104
	(688,982)		(1,545,345)		(5,998,100)
	(88,476)		-		(1,126,027)
	(993,991)		(2,633,918)		(12,771,414)
	(731,099)		(2,310,227)		(9,910,437)
	3,323,554		22,053		5,341,334
	84,218		3,549,586		12,809,845
	(66,820)		(486,094)		(595,829)
	3,341,152		3,085,545		17,555,350
	(2,964,500)		(123,181)		(4,292,460)
	6,355		1,658		14,264
	-		-		(825,000)
	-		(2,755)		(6,001)
	(2,958,145)		(124,280)		(5,109,197)
	354		8,789		19,798
	354		8,789		19,798
	(347,738)		659,827		2,555,514
	348,791		1,158,372		1,994,465
\$	1,053	\$	1,818,199	\$	4,549,979
\$	(1,946,242)	\$	(2,682,414)	\$	(12,453,610)
	1,359,522		500,966		3,512,001
	-		-		(56,678)
	-		(27,561)		(27,561)
	(114,673)		12,792		148,000
	5,129		(4,843)		(25,114)
	(34,835)		(109,921)		(491,045)
	(200)		(241)		(1,192)
	-		985		1,037
	-		-		(516,275)
	1,215,143		372,187		2,543,173
\$	(731,099)	\$	(2,310,227)	\$	(9,910,437)

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 notes payable
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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
User fees	\$ 1,173,619	\$ 1,173,619	\$ 1,028,257	\$ (145,362)
Investment income	5,372	1,372	498	(878)
Other revenue	112,679	112,679	90,312	(22,367)
Transfers in	1,095,180	1,142,574	1,142,574	-
Total revenues	2,386,850	2,430,244	2,261,639	(168,605)
Expenses:				
Salaries, wages and benefits	565,636	569,488	480,032	89,456
Contractual services and utilities	292,290	287,319	334,818	(47,499)
Repairs and maintenance	12,000	17,744	17,718	28
Supplies	39,787	39,727	37,337	2,390
Capital outlay-exempt items	-	336,517	104,057	232,460
Insurance	31,969	31,969	31,969	-
Interest expense	1,293,828	1,293,828	466,078	827,750
Other	133,757	194,229	204,023	(9,794)
Transfers out	2,933	43,115	43,115	-
Total expenses	2,372,200	2,813,936	1,719,147	1,094,789
Excess of revenues over (under) expenses	\$ 14,650	\$ (383,692)	542,492	\$ (1,263,394)
Revenue (expenses) not budgeted:				
Depreciation expense			(126,060)	
Amortization expense			(19,670)	
Gain (Loss) on sale of capital assets			280	
Prem (Discount) debt service interest			17,288	
Other non-operating costs			(56)	
Change to conform to generally accepted accounting principles				
Capital outlay			23,401	
Change in net assets			\$ 437,673	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
User fees	\$ 3,788,799	\$ 4,038,604	\$ 4,020,668	\$ (18,036)
Investment Income	7,889	7,689	5,774	(1,915)
Intergovernmental	\$ 249,805	\$ -	-	-
Other revenue	650,000	650,000	607,015	(42,985)
Total revenues	4,696,293	4,696,293	4,833,357	(61,021)
Expenses:				
Salaries, wages and benefits	3,068,978	3,054,578	2,762,501	292,077
Contractual services and utilities	432,300	443,240	383,968	59,272
Repairs and maintenance	145,700	145,276	83,040	62,236
Supplies	169,132	196,158	181,467	14,691
Capital outlay-exempt items	30,200	52,973	30,268	22,705
Insurance	117,944	117,944	117,944	-
Other	978,618	996,307	890,076	106,231
Total expenses	4,942,772	5,006,476	4,449,264	557,212
Excess of revenues over (under) expenses	\$ (246,479)	\$ (310,183)	184,093	\$ (816,233)
Revenue (expenses) not budgeted:				
Depreciation expense			(499,372)	
Bad debt expense			5,362	
Other non-operating costs			(517)	
Change to conform to generally accepted accounting principles				
Capital outlay			19,697	
Change in net assets			<u>\$ (290,737)</u>	

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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
User fees	\$ 839,011	\$ 869,449	\$ 1,276,942	\$ 407,493
Investment income	345	3,345	3,374	29
Intergovernmental	2,056,733	2,580,823	1,837,267	(743,556)
Other revenue	100,000	100,200	127,322	27,122
Transfers in	5,533,467	8,033,467	8,033,467	-
Total revenues	8,329,556	11,587,284	11,278,372	(308,912)
Expenses:				
Salaries, wages and benefits	5,987,949	5,967,549	5,528,398	439,151
Contractual services and utilities	151,000	214,812	179,116	35,796
Repairs and maintenance	511,200	620,793	475,365	145,428
Supplies	469,451	472,511	580,689	(108,178)
Capital outlay-exempt items	14,800	3,597,814	1,102,297	2,495,517
Insurance	213,524	213,524	213,524	-
Other	772,866	813,263	731,129	82,134
Total expenses	8,120,790	11,900,366	8,810,518	3,089,848
Excess of revenues over (under) expenses	\$ 208,766	\$ (313,082)	2,467,854	\$ 2,780,936
Revenue (expenses) not budgeted:				
Depreciation expense			(1,006,411)	
Gain (Loss) on sale of capital assets			5,973	
Other non-operating costs			(213)	
Change to conform to generally accepted accounting principles				
Capital outlay			1,097,419	
Change in net assets			\$ 2,564,622	

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, 2012

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
User fees	\$ 912,950	\$ 912,950	\$ 773,140	\$ (139,810)
Investment income	3,981	981	(125)	(1,106)
Intergovernmental	-	3,556,993	3,284,356	(272,637)
Other revenue	210,415	210,415	247,190	36,775
Transfers in	-	84,218	84,218	-
Total revenues	1,127,346	4,765,557	4,388,779	(376,778)
Expenses:				
Salaries, wages and benefits	912,493	912,493	964,485	(51,992)
Contractual services and utilities	135,250	193,460	170,955	22,605
Repairs and maintenance	21,168	18,868	13,926	4,942
Supplies	25,587	26,912	23,458	3,454
Capital outlay-exempt items	2,000	3,612,904	3,273,691	339,213
Insurance	41,671	41,871	31,571	10,100
Other	96,862	97,812	93,464	4,348
Transfers out	11,008	66,820	66,620	-
Total expenses	1,246,039	4,970,740	4,638,170	332,570
Excess of revenues over (under) expenses	\$ (118,693)	\$ (205,183)	(249,391)	\$ (44,208)
Revenue (expenses) not budgeted:				
Depreciation expense			(1,359,522)	
Gain (Loss) on sale of capital assets			6,355	
Change to conform to generally accepted accounting principles				
Capital outlay			2,964,500	
Change in net assets			\$ 1,361,942	

CITY OF SANTA FE, NEW MEXICO
Nonmajor Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Genevva Chavez Community Center
For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
User fees	\$ 1,427,000	\$ 1,427,000	\$ 1,594,480	\$ 167,480
Investment income	6,550	8,550	9,253	703
Intergovernmental	-	215,000	75,367	(139,633)
Other revenue	218,000	248,000	274,558	26,558
Transfers in	2,923,360	3,549,588	3,549,588	-
Total revenues	4,574,910	5,448,136	5,503,242	55,108
Expenses:				
Salaries, wages and benefits	2,543,820	2,599,313	2,619,154	80,159
Contractual services and utility	763,048	780,120	758,999	21,121
Repairs and maintenance	136,075	84,105	67,308	16,797
Supplies	212,543	223,939	193,060	30,879
Capital outlay-exempt items	37,700	921,149	208,968	712,181
Insurance	234,512	234,512	227,012	7,500
Interest expense	-	30,318	242	30,074
Other	145,841	149,501	159,089	(9,588)
Transfers out	281,969	486,094	486,094	-
Total expenses	4,355,308	5,509,049	4,619,926	889,123
Excess of revenues over (under) expenses	\$ 219,602	\$ (80,913)	883,316	\$ (834,017)
Revenue (expenses) not budgeted:				
Depreciation expense			(500,966)	
Gain (Loss) on sale of capital assets			1,656	
Other non-operating costs			(921)	
Change to conform to generally accepted accounting principles				
Capital outlay			83,108	
Change in net assets			\$ 466,191	

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, 2012

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
User fees	\$ 10,034,136	\$ 10,173,077	\$ 12,119,488	\$ 1,946,411
Other revenue	-	132,000	262,775	130,775
Investment income	135,500	148,300	135,473	(12,827)
Intergovernmental				
State-shared taxes	1,740,414	1,740,414	1,828,934	89,520
Bond Proceeds	-	14,280,000	14,280,000	-
Transfers in	1,688,639	2,688,639	2,688,639	-
Total revenues	13,598,689	29,162,430	31,316,309	2,153,879
Expenses:				
Salaries, wages and benefits	5,280,748	5,822,537	4,513,741	1,308,796
Contractual services and utilities	1,872,365	2,516,441	2,350,493	165,948
Repairs and maintenance	668,548	716,418	529,257	187,161
Supplies	711,306	698,295	581,658	116,637
Capital outlay-exempt items	33,540	3,153,823	1,589,087	1,564,536
Insurance	306,866	321,082	321,082	-
Other	973,197	981,560	969,051	12,509
Interest expense	1,143,963	551,994	627,266	(24,728)
Bond issuance costs	-	17,345,000	17,345,000	-
Transfers out	3,496,972	3,496,972	3,496,972	-
Total expenses	14,487,495	35,603,922	32,223,607	3,330,859
Excess of revenues over (under) expenses	\$ (888,806)	\$ (6,441,492)	(907,298)	\$ 1,176,980
Revenue (expenses) not budgeted:				
Depreciation expense			(4,795,852)	
Amortization expense			(34,638)	
Bad debt expense			(268,876)	
Gain (loss) on sale of capital assets			2,747	
Prem/(Discount) debt service interest			34,927	
Other non-operating costs			(11,848)	
Change to conform to generally accepted accounting principles				
Capital Outlay			1,567,087	
Principal payment on advance			3,065,000	
Change in net assets			\$ (1,348,751)	

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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
User fees	\$ 39,058,848	\$ 35,032,127	\$ 37,218,821	\$ 2,184,694
Other revenue	336,000	805,207	492,243	(312,964)
Investment income	515,261	558,984	544,310	(14,674)
Intergovernmental				
State-shared taxes	6,929,726	6,929,726	7,295,554	365,828
Grants	-	975,869	487,250	(488,419)
Total revenues	39,392,848	35,837,334	46,036,178	1,734,465
Expenses:				
Salaries, wages and benefits	6,279,257	8,584,816	7,614,748	970,068
Contractual services and utilities	7,643,081	9,396,170	6,299,618	3,096,552
Repairs and maintenance	573,870	706,075	487,321	238,754
Supplies	1,055,802	1,190,027	734,489	455,538
Capital outlay-exempt items	13,414,700	40,691,264	7,819,697	32,871,667
Insurance	293,063	341,461	341,461	-
Other	9,265,039	9,513,546	9,110,869	402,687
Interest expense	9,421,360	9,915,945	2,586,451	(7,329,494)
Bond issuance costs		392,806	470,533	
Transfers out	3,321,000	221,000	221,000	-
Total expenses	51,267,172	80,953,110	36,666,077	30,705,772
Excess of revenues over (under) expenses	\$ (11,874,324)	\$ (45,115,776)	10,370,101	\$ (28,971,307)
Revenue (expenses) not budgeted:				
Depreciation expense			(8,757,971)	
Amortization			(1,006,582)	
Bad debt expense			(100,295)	
Gain on sale of capital assets			960	
Prem/(Discount) debt service interest			148,025	
Other non operating expenses			(34,856)	
Change to conform to generally accepted accounting principles				
Capital Outlay			7,664,985	
Principal payment on advance			470,633	
Change in net assets			\$ 8,754,900	

CITY OF SANTA FE, NEW MEXICO
Major Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Solid Waste Management
For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
User fees	\$ 9,951,218	\$ 10,660,029	\$ 10,076,840	\$ (583,189)
Other revenues	-	-	87,222	87,222
Investment income	62,500	61,000	53,411	(7,589)
Intergovernmental				
State-shared taxes	1,740,145	1,740,145	1,829,904	89,759
Grants	-	-	40,000	40,000
Transfers in	14,000	14,000	14,000	-
Total operating revenues	11,767,863	12,475,174	12,081,377	(393,797)
Operating expenses:				
Salaries, wages and benefits	3,978,393	4,446,338	4,021,654	424,684
Contractual services and utilities	4,100,232	4,124,755	3,416,761	707,994
Repairs and maintenance	577,700	586,763	434,218	152,545
Supplies	917,875	925,408	766,774	158,634
Capital outlay-exempt items	2,193,318	2,868,016	1,048,738	1,819,278
Insurance	142,236	157,291	167,291	-
Other	926,481	962,793	912,835	39,958
Interest expense	1,310,373	1,310,373	547,681	(762,692)
Transfers out	76,000	75,000	75,000	-
Total expenses	14,221,608	15,446,737	11,380,952	2,540,401
Excess of revenues over (under) expenses	\$ (2,453,745)	\$ (2,971,563)	700,425	\$ (2,934,198)
Revenue (expenses) not budgeted:				
Depreciation expense			(759,255)	
Amortization expense			(21,163)	
Bad debt expense			(187)	
Gain (Loss) on sale of capital assets			22,734	
Prem/(Discount) debt service interest			18,110	
Other non operating expenses			(4,820)	
Change to conform to generally accepted accounting principles				
Capital Outlay			878,868	
Change in net assets			\$ 834,712	

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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Facilities rental	\$ 821,968	\$ 574,930	\$ 574,930	\$ -
Investment Income	5,910	5,910	6,812	702
Transfers in	300,000	4,927,335	1,323,473	(3,603,862)
Total operating revenues	1,127,876	5,508,175	1,905,015	(3,603,160)
Expenses:				
Contractual services and utility	5,130	276,136	133,887	142,248
Capital outlay-exempt items	-	4,434,925	3,639,394	795,531
Interest expense	839,960	839,960	545,559	294,401
Other operating	500	51,232	9,244	41,988
Total operating expenses	845,590	5,602,252	4,328,084	1,274,168
Excess of revenues over (under) expenses	\$ 282,286	\$ (94,077)	(2,423,069)	\$ (2,328,992)
Revenue (expenses) not budgeted:				
Depreciation expense			(2,438,577)	
Amortization expense			(12,555)	
Prem (Discount) debt service Interest			72,342	
Other non-operating costs			(683)	
Change to conform to generally accepted accounting principles				
Capital outlay			3,639,394	
Change in net assets			\$ (1,181,148)	

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, 2012

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
User fees	\$ -	\$ -	\$ 422,315	\$ 422,315
Interest income	53,951	43,951	34,980	(8,971)
Intergovernmental	8,000	8,000	11,234	3,234
Other revenue	421,300	428,120	598,071	169,951
Transfers in	4,159,186	4,199,488	4,199,468	-
Total revenues	4,642,437	4,679,539	5,266,068	586,529
Expenses:				
Salaries, wages and benefits	812,027	812,027	598,714	213,313
Contractual services and utilities	480,317	502,246	395,894	106,552
Repairs and maintenance	84,400	172,558	120,679	51,879
Supplies	88,747	86,378	51,013	35,383
Capital outlay-exempt items	2,000	118,106	150,559	(32,453)
Insurance	85,035	85,035	85,035	-
Interest expense	3,355,412	3,355,412	2,268,499	1,086,913
Other	213,548	223,394	216,559	6,835
Transfers out	137,522	146,522	145,522	-
Total expenses	5,239,008	5,500,676	4,032,274	1,468,402
Excess of revenues over (under) expenses	\$ (596,571)	\$ (821,137)	1,233,794	\$ 2,054,931
Revenue (expenses) not budgeted:				
Depreciation expense			(1,299,840)	
Amortization expense			(19,961)	
Prem (Discount) debt service interest			89,365	
Other non-operating expenses			(3,197)	
Change to conform to generally accepted accounting principles				
Capital outlay			123,390	
Change in net assets			\$ 123,551	

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest Income	\$ 71,104	\$ 57,104	\$ 46,951	\$ (10,153)
Other revenue	2,350,000	2,350,000	2,350,000	-
Total revenues	2,421,104	2,407,104	2,396,951	(10,153)
Expenses:				
Salaries, wages and benefits	-	-	132,659	(132,659)
Contractual services and utilities	3,749	3,749	3,749	-
Capital outlay-exempt items	5,447,245	5,447,245	3,852,938	1,794,307
Interest expense	2,224,842	2,224,842	48,538	2,176,304
Other	100,000	-	275	(275)
Transfers out	38,000	38,000	38,000	-
Total expenses	7,813,836	7,713,836	3,876,159	3,837,677
Excess of revenues over (under) expenses	\$ (5,392,732)	\$ (5,306,732)	(1,479,208)	\$ 3,827,624
Revenue (expenses) not budgeted:				
Depreciation expense			(876,962)	
Change to conform to generally accepted accounting principles				
Capital outlay			<u>3,652,938</u>	
Change in net assets			<u>\$ 1,298,788</u>	

Internal Service Funds

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.

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 / Dental Fund – to account for the cost of operating self-insured health and dental insurance programs. The City contributes 76.50% of the costs and the employee contributes 23.50% in regards to health; also the City contributes 60.00% of the costs and the employee contributes 40.00% for the dental program.

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

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

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CITY OF SANTA FE, NEW MEXICO
Internal Service Funds
Combining Statement of Net Assets
June 30, 2012

	Risk Management	Santa Fe Health/Dental	Worker's Compensation	Union Sick Leave Bank	Totals
Assets					
Current assets:					
Cash, investments and cash equivalents	\$ 1,986,219	\$ 6,432,640	\$ 4,774,662	\$ 149,145	\$ 13,342,666
Interest receivable	3,839	8,880	6,103	-	18,802
Prepaid expense	-	60,000	-	-	60,000
Total current assets	1,990,058	6,501,500	4,780,765	149,145	13,421,468
Noncurrent assets:					
Capital assets:					
Furniture and fixtures	34,818	-	-	-	34,818
Less accumulated depreciation	(33,345)	-	-	-	(33,345)
Equipment and machinery	6,812	-	-	-	6,812
Less accumulated depreciation	(1,474)	-	-	-	(1,474)
Data processing equipment and software	1,648	-	-	-	1,648
Less accumulated depreciation	(1,648)	-	-	-	(1,648)
Vehicles	35,829	-	-	-	35,829
Less accumulated depreciation	(30,520)	-	-	-	(30,520)
Total capital assets (net of accum depreciation)	12,120	-	-	-	12,120
Total noncurrent assets	12,120	-	-	-	12,120
Total assets	2,002,178	6,501,500	4,780,765	149,145	13,433,588
Liabilities					
Current liabilities:					
Accounts payable	104,281	41,015	5,664	-	150,960
Compensated absences payable	73,281	-	-	-	73,281
Accrued wages payable	12,452	-	-	-	12,452
Claims payable	2,566,747	959,781	3,546,240	-	7,072,768
Other payables	-	-	221	-	221
Total current liabilities	2,756,761	1,000,796	3,552,125	-	7,309,682
Total liabilities	2,756,761	1,000,796	3,552,125	-	7,309,682
Net Assets					
Invested in capital assets, net of related debt					
Unrestricted	(754,583)	5,500,704	1,228,640	149,145	6,123,906
Total net assets	\$ (754,583)	\$ 5,500,704	\$ 1,228,640	\$ 149,145	\$ 6,123,906

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, 2012

	Risk Management	Santa Fe Health/Dental	Worker's Compensation	Union Sick Leave Bank	Totals
Operating revenues:					
Premiums	\$ 3,832,486	\$ 15,659,980	\$ 1,685,260	\$ 196,412	\$ 21,374,138
Other Revenue	5,464	-	-	-	5,464
Total operating revenues	3,837,950	15,659,980	1,685,260	196,412	21,379,602
Operating expenses:					
Salaries, wages and fringe benefits	681,103	8,360	-	114,952	804,415
Contractual services and utilities	509,052	759,716	55,659	-	1,324,427
Repairs and maintenance	484	-	-	-	484
Capital outlay - inventory exempt items	910	-	-	-	910
Supplies	28,403	1,033	-	-	29,436
Depreciation expense	14,388	-	-	-	14,388
Insurance premiums	2,324,587	429,752	132,983	-	2,887,322
Claims and judgements	1,577,166	17,178,834	832,518	-	19,388,518
Other	2,267	488	318	-	3,073
Total operating expenses	5,138,360	18,378,183	821,478	114,952	24,452,973
Operating income (loss)	(1,300,410)	(2,718,203)	863,782	81,460	(3,073,371)
Non-operating revenues (expenses):					
Investment income	25,869	51,056	29,955	-	106,880
Other	-	11,445	-	-	11,445
Gain (Loss) on sale of fixed assets	(5,472)	(9,078)	(3,094)	-	(17,644)
Total non-operating revenues (expenses)	20,397	53,423	26,861	-	100,681
Income (loss) before transfers	(1,280,013)	(2,664,780)	890,643	81,460	(2,972,690)
Other Financing Sources (uses):					
Transfers in	-	-	500,000	-	500,000
Transfers out	(758,372)	(402,105)	(181,366)	-	(1,341,843)
Total other financing sources (uses)	(758,372)	(402,105)	318,634	-	(841,843)
Change in net assets	(2,038,385)	(3,066,885)	1,209,277	81,460	(3,814,533)
Net assets, beginning of year	1,283,802	8,567,589	19,363	67,685	9,938,439
Net assets, end of year	\$ (754,583)	\$ 5,500,704	\$ 1,228,640	\$ 149,145	\$ 6,123,906

CITY OF SANTA FE, NEW MEXICO
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2012

	Risk Management	Santa Fe Health/Dental	Worker's Compensation	Union Sick Leave Bank	Totals
Cash flows from operating activities:					
Cash received from customers	\$ 3,832,486	\$ 15,659,980	\$ 1,629,752	\$ 196,412	\$ 21,318,630
Cash received from interfund services provided and used	5,464	-	55,507	-	60,971
Cash payments to suppliers for goods and services	(4,039,245)	(18,058,404)	(1,104,514)	-	(23,202,163)
Cash payments to employees for services	(710,298)	(8,360)	-	(114,952)	(833,610)
Net cash (used) by operating activities	(911,593)	(2,406,784)	590,745	81,460	(2,656,172)
Cash flows from noncapital financing activities:					
Intergovernmental	-	11,445	-	-	11,445
Transfers-in from other funds	-	-	500,000	-	500,000
Transfers-out to other funds	(758,372)	(402,105)	(781,365)	-	(1,341,843)
Net cash provided (used) by noncapital financing activities	(758,372)	(390,660)	318,634	-	(830,398)
Cash flows from capital and related financing activities:					
Proceed from sale of capital assets	(5,472)	(9,078)	(3,094)	-	(17,644)
Net cash used for capital & related financing activities	(5,472)	(9,078)	(3,094)	-	(17,644)
Cash flows from investing activities:					
Interest and dividends on investments	30,049	56,549	30,042	-	116,640
Net cash provided by investing activities	30,049	56,549	30,042	-	116,640
Net increase (decrease) in cash and cash equivalents	(1,645,388)	(2,749,973)	926,327	81,460	(3,387,574)
Cash, investments & cash equivalents at beg of year	3,631,607	9,182,615	3,848,335	67,685	16,730,242
Cash, investments & cash equivalents at end of year	\$ 1,986,219	\$ 6,432,642	\$ 4,774,662	\$ 149,145	\$ 13,342,668
Reconciliation of operating income (loss) to cash provided (used) by operating activities:					
Operating income (loss)	\$ (1,300,410)	\$ (2,718,203)	\$ 863,781	\$ 81,460	\$ (3,073,372)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	14,388	-	-	-	14,388
Change in assets and liabilities:					
Increase (decrease) in accounts payable	(6,678)	(193,102)	401	-	(205,379)
Increase (decrease) in compensated abs. payable	(6,066)	-	-	-	(6,066)
Increase (decrease) in accrued wages payable	(23,129)	-	-	-	(23,129)
Increase (decrease) in claims payable	410,302	510,521	(283,437)	-	637,386
Total adjustments	388,817	317,419	(283,036)	-	417,200
Net cash (used) by operating activities	\$ (911,593)	\$ (2,406,784)	\$ 590,745	\$ 81,460	\$ (2,656,172)

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Premiums	\$ 3,831,902	\$ 3,831,902	\$ 3,832,486	\$ 584
Other Revenues	10,000	10,000	5,464	(4,536)
Investment income	39,482	31,482	25,869	(5,613)
Total revenues	3,881,384	3,873,384	3,863,819	(9,565)
Expenses:				
Salaries, wages and fringe benefits	781,704	776,704	681,103	95,601
Contractual services and utilities	312,672	601,916	509,052	92,863
Repairs and maintenance	2,500	2,500	484	2,016
Supplies	49,937	50,841	28,403	22,438
Capital outlay - inventory exempt items	1,000	1,000	910	90
Insurance premiums	2,343,924	2,343,924	2,324,587	19,337
Claims and judgements	1,082,000	1,105,235	1,166,864	(61,629)
Other	4,200	5,550	2,267	3,283
Transfers out	258,372	758,372	758,372	-
Total expenses	4,836,309	5,646,041	5,472,042	173,999
Excess (deficiency) of revenue over expenses	\$ (954,925)	\$ (1,772,657)	(1,608,223)	\$ 164,434
Revenue (expenses) not budgeted:				
Depreciation expense			(14,388)	
Gain (loss) on sale of investments			(5,472)	
IBNR Claims Reserve Expense			(410,302)	
Change in net assets			\$ (2,038,385)	

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Santa Fe Health/Dental
For the Year Ended June 30, 2012

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Premiums	\$ 17,676,813	\$ 17,676,813	\$ 15,659,980	\$ (2,016,833)
Investment income	67,559	57,559	51,056	(6,503)
Intergovernmental		10,975	11,445	470
Total revenues	<u>17,744,372</u>	<u>17,745,347</u>	<u>15,722,481</u>	<u>(2,022,866)</u>
Expenses:				
Salaries	-	5,335	8,360	(3,025)
Contractual services and utilities	688,500	892,860	759,716	(66,856)
Supplies	-	60	1,033	(973)
Insurance premiums	518,652	518,652	429,752	88,900
Claims and judgements	16,492,082	16,492,082	17,178,834	(686,752)
Other	-	920	488	432
Transfers out	402,105	402,105	402,105	-
Total expenses	<u>18,101,339</u>	<u>18,112,014</u>	<u>18,780,288</u>	<u>(668,706)</u>
Excess (deficiency) of revenue over expenses	<u>\$ (356,967)</u>	<u>\$ (366,667)</u>	<u>(3,057,807)</u>	<u>\$ (2,691,572)</u>
Revenue (expenses) not budgeted:				
Gain (Loss) on sale of capital assets			<u>(9,078)</u>	
			<u>\$ (3,066,885)</u>	

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Premiums	\$ 1,761,011	\$ 1,761,011	\$ 1,685,260	\$ (75,751)
Investment Income	26,577	26,577	29,955	3,378
Transfers In	500,000	500,000	500,000	-
Total revenues	2,287,588	2,287,588	2,215,215	(72,373)
Expenses:				
Contractual services and utilities	60,000	60,000	65,659	4,341
Claims and judgements	900,000	900,000	632,518	267,482
Insurance Premium	125,000	133,000	132,983	17
Other	325	390	318	72
Transfers out	181,366	181,366	181,366	-
Total expenses	1,266,691	1,274,756	1,002,844	271,912
Excess (deficiency) of revenue over expenses	\$ 1,020,897	\$ 1,012,832	1,212,371	\$ (344,285)
Revenue (expenses) not budgeted:				
Gain (Loss) on Sale of Capital Assets			(3,094)	
Change in net assets			\$ 1,209,277	

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Donations	\$ -	\$ -	\$ 196,412	\$ 196,412
Total revenues	-	-	196,412	196,412
Expenses				
Salaries, wages and fringe benefits	-	-	114,952	(114,952)
Total expenses	-	-	114,952	(114,952)
Excess (deficiency) of revenue over expenses	\$ -	\$ -	\$ 81,460	\$ 149,145

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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, 2012 and 2011

	2012	2011
Governmental Funds Capital Assets:		
Land	\$ 169,939,946	\$ 169,939,946
Buildings	57,906,587	57,860,919
Improvements	46,697,665	42,585,573
Equipment and machinery	16,547,667	16,353,708
Furniture and fixtures	823,157	831,196
Vehicles	21,009,753	20,921,660
Data processing and Software	11,744,879	11,730,482
Construction in progress	25,876,710	16,747,696
Art	922,920	922,920
Traffic Signals	23,222,048	23,222,048
Streets	191,454,881	191,454,881
Bridges	2,109,269	2,109,269
Total governmental funds capital assets	<u>\$ 568,255,482</u>	<u>\$ 554,680,298</u>
Investment in Governmental Funds Capital Assets by sources:		
General Fund	334,593,483	334,863,433
Special Revenue Funds	21,108,084	20,652,668
Capital Project Funds	201,961,544	188,564,714
Other Sources	9,868,248	9,875,360
Donations	724,123	724,123
Total governmental funds capital assets	<u>\$ 568,255,482</u>	<u>\$ 554,680,298</u>

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, 2012

Function and Activity	Land	Buildings	Improvements	Equipment and Machinery	Furniture and Fixtures	Vehicles
General Government:						
City Manager	\$ 25,668,001	\$ 29,359,090	\$ 5,403,906	\$ 119,009	\$ -	\$ -
City Clerk	-	-	-	286,843	22,241	56,850
Administrative Department	-	175,333	-	1,120,377	6,485	4,676,014
Planning and Land Use	-	-	-	39,347	236,897	297,191
City Services	137,847,376	7,221,775	399,754	1,273,052	131,164	860,471
Total General Government	163,515,377	36,755,198	5,803,660	2,838,628	396,787	5,890,526
Public Safety:						
Police	-	5,570,721	3,184,968	296,799	363,550	6,422,404
Fire	-	10,416,176	-	2,569,251	55,016	3,677,572
Total Public Safety	-	15,986,897	3,184,968	2,865,050	418,566	10,099,976
Public Works:						
Administration	-	104,455	19,749,789	5,633,190	3,026	740,942
Total Public Works	-	104,455	19,749,789	5,633,190	3,026	740,942
Community Welfare:						
Community Development	204,219	1,695,824	-	-	-	-
Affordable Housing	840,000	-	419,140	-	-	-
Human services	178,225	1,854,998	640,543	2,174,864	-	444,391
Total Community Welfare	1,222,443	3,550,822	1,059,683	2,174,864	-	444,391
Culture and Recreation:						
Parks and Grounds Maintenance	5,202,126	979,484	16,900,565	3,035,935	4,778	3,793,740
Arts Commission	-	-	-	-	-	40,178
Museums and Libraries	-	529,731	-	-	-	-
Total Culture and Recreation	5,202,126	1,509,215	16,900,565	3,036,935	4,778	3,833,918
Total governmental funds cap	\$ 169,939,946	\$ 57,906,587	\$ 46,597,665	\$ 16,547,667	\$ 823,157	\$ 21,009,753

This schedule presents only the capital asset balances. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal 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, 2012

Data Processing Equipment and Software	Construction in Progress	Art	Traffic Signals	Streets	Bridges	Total
\$ 71,661	\$ 49,485	\$ -	\$ -	\$ -	\$ -	\$ 60,670,152
26,599	-	-	-	-	-	392,533
8,311,920	418,663	-	-	-	-	14,708,792
277,195	-	-	-	-	-	950,630
1,138,639	1,175,756	-	-	-	-	150,047,997
<u>9,826,014</u>	<u>1,643,904</u>	-	-	-	-	<u>226,670,094</u>
1,195,744	-	-	-	-	-	17,034,186
600,597	-	-	-	-	-	17,317,612
<u>1,796,341</u>	-	-	-	-	-	<u>34,351,798</u>
44,563	8,524,972	-	22,964,533	191,454,881	2,109,269	251,328,620
<u>44,563</u>	<u>8,524,972</u>	-	<u>22,964,533</u>	<u>191,454,881</u>	<u>2,109,269</u>	<u>251,328,620</u>
-	6,335	-	-	-	-	1,906,377
-	155,250	-	-	-	-	1,414,390
-	128,493	-	-	-	-	5,421,514
-	<u>290,078</u>	-	-	-	-	<u>8,742,281</u>
-	15,068,940	-	257,515	-	-	45,243,083
54,660	-	922,920	-	-	-	1,017,758
23,301	348,816	-	-	-	-	901,848
<u>77,961</u>	<u>15,417,756</u>	<u>922,920</u>	<u>257,515</u>	-	-	<u>47,162,689</u>
<u>\$ 11,744,879</u>	<u>\$ 25,876,710</u>	<u>\$ 922,920</u>	<u>\$ 23,222,048</u>	<u>\$ 191,454,881</u>	<u>\$ 2,109,269</u>	<u>\$ 568,255,482</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, 2012

Function and Activity	Governmental Funds Capital Assets June 30, 2011	Additions	Deletions	Governmental Funds Capital Assets June 30, 2012
General Government:				
City Manager	\$ 60,562,130	\$ 108,022	\$ -	\$ 60,670,152
City Clerk	392,533	-	-	392,533
Administrative Department	14,581,414	276,119	(148,741)	14,708,792
Planning	850,630	-	-	850,630
City Services	150,045,076	20,219	(17,308)	150,047,987
Total General Government	<u>226,431,783</u>	<u>404,360</u>	<u>(166,049)</u>	<u>226,670,094</u>
Public Safety:				
Police	16,693,026	745,938	(404,778)	17,034,186
Fire	16,857,541	610,721	(150,650)	17,317,612
Total Public Safety	<u>33,550,567</u>	<u>1,356,659</u>	<u>(555,428)</u>	<u>34,351,798</u>
Public Works:				
Administration	245,039,214	6,316,029	(26,623)	251,328,620
Total Public Works	<u>245,039,214</u>	<u>6,316,029</u>	<u>(26,623)</u>	<u>251,328,620</u>
Community Welfare:				
Community Development	1,900,504	6,873	-	1,906,377
Affordable Housing	1,414,390	-	-	1,414,390
Human Services	5,863,112	107,582	(549,180)	5,421,514
Total Community Welfare	<u>9,178,006</u>	<u>113,455</u>	<u>(549,180)</u>	<u>8,742,281</u>
Culture and Recreation:				
Parks and Grounds Maint	38,561,122	6,783,939	(101,978)	45,243,083
Arts Commission	1,017,758	-	-	1,017,758
Museums and Libraries	901,848	-	-	901,848
Total Culture and Recreation	<u>40,480,728</u>	<u>6,783,939</u>	<u>(101,978)</u>	<u>47,162,689</u>
Total governmental funds capital assets	<u>\$ 554,680,298</u>	<u>\$ 14,974,442</u>	<u>\$ (1,399,258)</u>	<u>\$ 568,255,482</u>

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.

Statistical Section

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**CITY OF SANTA FE, NEW MEXICO
STATISTICAL SECTION
For the Fiscal Year Ended June 30, 2012**

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.

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	169-174
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the city's ability to generate its gross receipts tax.	175-182
Debt Capacity 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.	183-189
Demographic and Economic Information 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.	190-193
Operating information 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 city provides and the activities it performs.	194-198

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

TABLE I

CITY OF SANTA FE, NEW MEXICO NET ASSETS BY COMPONENT LAST NINE FISCAL YEARS (UNAUDITED)					
	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities					
Invested in capital assets, net of related debt	\$ 1,349,357	\$ 157,113,667	\$ 143,746,053	\$ 166,025,629	\$ 142,109,428
Restricted	6,103,794	4,128,579	3,285,631	3,168,740	2,504,394
Unrestricted	86,932,817	99,594,397	98,610,581	90,576,169	63,338,892
Total governmental activities net assets	\$ 94,385,968	\$ 260,836,643	\$ 245,642,265	\$ 259,770,538	\$ 207,952,714
Business-type activities					
Invested in capital assets, net of related debt	\$ 66,834,205	\$ 75,547,411	\$ 100,137,996	\$ 100,419,310	\$ 152,636,141
Restricted	10,763,947	9,189,925	9,232,551	1,165,686	2,668,245
Unrestricted	20,751,616	37,983,865	48,735,531	86,526,932	127,184,590
Total business -type activities	\$ 98,349,768	\$ 122,721,201	\$ 158,106,078	\$ 188,111,928	\$ 282,488,976
Primary government					
Invested in capital assets, net of related debt	\$ 68,183,562	\$ 232,661,078	\$ 243,884,049	\$ 286,444,939	\$ 294,745,569
Restricted	16,867,741	13,318,504	12,518,182	4,334,426	5,172,639
Unrestricted	107,684,433	137,578,252	147,346,112	177,103,101	190,523,482
Total primary government net assets	\$ 192,735,736	\$ 383,557,844	\$ 403,748,343	\$ 447,882,466	\$ 490,441,690
Governmental Activities					
Invested in capital assets, net of related debt	\$ 182,790,257	\$ 178,547,796	\$ 188,345,882	\$ 191,538,696	\$ 186,752,403
Restricted	10,174,773	10,290,331	10,693,806	21,643,708	52,596,695
Unrestricted	98,944,233	93,668,312	69,331,327	53,773,476	24,870,716
Total governmental activities net assets	\$ 291,909,263	\$ 282,506,439	\$ 268,371,015	\$ 266,955,860	\$ 264,219,814
Business-type activities					
Invested in capital assets, net of related debt	\$ 159,508,099	\$ 160,986,556	\$ 174,237,581	\$ 208,210,696	\$ 231,134,448
Restricted	724,528	1,232,286	6,961,305	5,960,981	6,483,099
Unrestricted	89,549,081	110,164,825	135,921,927	127,140,990	116,317,368
Total business -type activities	\$ 249,781,708	\$ 272,383,667	\$ 317,120,813	\$ 341,312,667	\$ 353,934,915
Primary government					
Invested in capital assets, net of related debt	\$ 342,298,356	\$ 339,534,352	\$ 362,583,463	\$ 399,749,392	\$ 417,886,851
Restricted	10,899,301	11,622,617	17,655,111	27,604,689	59,079,794
Unrestricted	188,493,314	203,833,137	205,253,254	180,914,466	141,188,084
Total primary government net assets	\$ 541,690,971	\$ 554,890,106	\$ 585,491,828	\$ 608,268,547	\$ 618,154,729

Note: GASB 34 Implemented 2002

TABLE II

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities:										
General Government	\$ 21,451,013	\$ 22,393,020	\$ 31,765,902	\$ 21,318,849	\$ 23,484,442	\$ 27,873,924	\$ 29,586,386	\$ 27,660,875	\$ 26,391,088	\$ 29,053,071
Public Safety	26,538,341	28,500,025	31,103,547	31,355,147	33,841,007	34,894,206	38,118,396	38,313,141	38,015,679	38,164,145
Public Works	13,024,063	14,621,049	11,639,112	12,020,924	13,570,355	13,577,325	15,718,517	15,869,603	16,653,193	13,982,704
Community Development	9,761,578	10,180,137	10,948,430	10,722,375	11,289,698	11,397,085	12,974,275	15,145,394	12,191,952	10,636,985
Culture and Recreation	9,017,844	9,708,241	10,900,710	11,770,657	13,029,432	13,430,563	13,417,927	13,580,296	12,218,375	11,365,828
Education	2,280,164	2,456,459	2,528,186	2,573,152	2,737,898	2,864,722	2,899,570	2,988,945	2,846,887	2,673,364
Interest on Long Term Debt	5,375,083	5,083,359	5,630,475	5,404,184	9,583,608	4,583,643	5,456,538	5,485,953	4,957,563	5,847,129
Total Governmental activities expenses	\$7,448,066	\$2,952,290	\$14,514,362	\$5,165,288	\$17,536,410	\$18,601,468	\$18,151,601	\$19,044,207	\$13,269,917	\$11,724,025
Business-type activities:										
Wastewater Management	10,141,412	9,352,601	9,523,908	9,648,572	9,879,594	11,352,274	12,475,625	12,312,850	14,705,132	14,878,988
Water Management	19,240,504	20,256,711	20,647,005	20,115,817	23,608,849	19,074,551	22,892,185	22,369,231	28,452,091	37,026,382
Municipal Recreation Complex	3,205,273	3,302,425	3,263,270	3,634,257	3,021,228	2,975,871	2,408,341	1,803,233	1,336,520	1,781,075
Rallyard Center	-	-	175,224	205,168	608,703	344,959	1,743,796	1,748,903	3,065,480	3,065,480
Genoveva Chavez Community Cntr	3,541,519	3,910,851	3,988,449	4,118,677	4,885,292	4,999,087	5,570,172	4,886,084	4,725,388	4,551,692
Santa Fe Convention Center	734,108	769,541	854,946	1,060,315	218,000	2,083,034	4,763,646	5,280,908	2,950,521	4,993,798
Solid Waste Management	7,921,077	8,296,083	8,373,162	8,745,255	8,988,090	9,864,422	9,576,135	9,942,609	10,992,656	11,607,054
College of Santa Fe	-	-	-	-	-	-	-	2,436,028	1,946,703	1,062,183
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	10,584,607	11,686,091
Parking Enterprise Fund	3,188,057	3,455,637	3,977,672	4,006,651	4,194,755	4,716,561	5,128,803	5,271,354	5,147,411	4,923,577
All other proprietary funds	-	-	-	-	-	-	-	-	-	-
Total business-type expenses	\$4,065,402	\$6,049,521	\$7,713,431	\$8,928,826	\$3,623,640	\$5,742,957	\$5,454,290	\$6,411,035	\$2,989,932	\$5,576,310
Total primary government expenses	\$141,513,468	\$149,001,811	\$182,227,793	\$154,094,114	\$171,160,050	\$174,344,425	\$193,605,811	\$197,455,242	\$196,259,849	\$207,300,335
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 4,736,202	\$ 5,390,550	\$ 5,928,430	\$ 5,484,371	\$ 2,729,053	\$ 1,908,694	\$ 2,093,097	\$ 478,959	\$ 1,549,813	\$ 7,595,705
Public Safety	494,337	534,425	671,958	437,873	3,748,109	3,551,192	3,451,045	4,192,344	5,837,000	1,474,567
Public Works	153,334	1,158,799	3,052,065	3,101,740	3,420,434	2,246,481	2,094,381	2,379,542	2,782,439	1,807,757
Community Development	127,639	146,216	144,195	130,376	321,145	491,313	350,716	373,009	427,889	84,441
Culture and Recreation	62,230	18,900	106,684	114,848	518,602	536,901	578,429	685,743	790,664	133,659
Operating grants and contributions:										
General Government	243,831	119,129	26,578	224,321	400,848	417,614	292,957	660,242	292,957	173,174
Public Safety	911,513	1,140,086	1,201,267	899,651	577,716	1,082,705	832,402	1,288,866	731,000	1,010,679
Public Works	359,329	404,971	536,523	740,683	449,214	210,213	214,293	386,133	214,793	501,864
Community Development	3,318,551	3,324,270	3,474,113	2,806,880	3,280,771	3,250,551	3,718,589	5,989,952	3,400,766	2,658,918
Culture and Recreation	133,474	342,327	801,047	439,671	297,646	301,646	340,742	182,907	340,742	30,389
Education	-	-	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	408,830	1,700,235	81,519
Public Safety	-	-	-	283,119	418,962	-	529,270	340,853	529,270	1,206,912
Public Works	5,310,860	1,985,617	1,326,180	1,086,433	946,360	2,727,905	6,022,474	3,732,453	1,604,050	5,896,998
Community Development	334,517	18,911	120,244	1,436,376	171,251	372,517	673,023	386,267	673,023	92,838
Culture and Recreation	347,788	718,156	324,260	1,901,844	1,215,780	1,042,680	2,536,154	2,193,295	2,535,154	429,170
Total governmental activities program revenues	\$16,691,892	\$15,424,898	\$28,107,933	\$20,272,433	\$18,875,413	\$20,802,066	\$25,433,738	\$23,557,395	\$23,408,294	\$23,178,790

(Continued)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Business-type activities:										
Charges for services:										
Wastewater Management	\$ 6,976,843	\$ 8,088,178	\$ 8,388,757	\$ 8,598,112	\$ 8,718,755	\$ 9,326,934	\$ 9,286,248	\$ 10,299,371	\$ 12,524,483	\$ 12,382,263
Water Management	27,100,848	29,506,311	26,305,704	36,401,216	29,158,277	20,148,350	27,086,239	30,236,761	35,478,027	37,709,064
Municipal Recreation Complex	1,231,628	1,195,813	1,073,646	1,164,830	1,035,847	1,055,670	1,076,776	1,100,296	1,159,308	1,118,569
Railyard Center	-	-	737,700	-	273,221	634,870	565,324	561,147	712,325	574,930
Genoveva Chavez Community Center	1,453,790	1,212,399	1,559,773	1,372,712	1,804,043	1,480,294	1,512,964	1,637,933	1,970,167	1,869,036
Santa Fe Convention Center	137,051	-	179,925	3,750	-	-	300,448	408,746	484,117	1,020,386
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	10,030,316	10,144,062
College of Santa Fe	-	-	-	-	-	-	-	2,092,884	2,374,914	2,360,000
Transit and Airport Systems	710,410	643,268	829,695	673,316	690,065	787,256	888,259	1,918,748	2,312,176	2,424,594
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	4,419,714	4,627,583
All other proprietary funds	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
Municipal Recreation Complex	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	-	1,334,570
All other proprietary funds	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions:										
Wastewater Management	-	-	-	18,124	82,458	45,447	55,899	180,749	184,019	-
Water Management	1,586,829	10,458,328	1,339,801	6,759,310	3,203,186	1,567,685	1,372,315	8,812,197	3,150,751	487,250
Municipal Recreation Complex	-	-	-	8,622	1,315	73,433	96,986	464,581	-	-
Railyard Center	-	-	412,859	166,007	2,495,258	7,187,248	536,692	50,154	668,500	-
Genoveva Chavez Community Center	-	-	24,428	32,952	144,607	293,548	17,029	-	-	75,367
Transit and Airport Systems	2,274,873	1,816,745	943,507	1,416,163	5,230,489	5,438,603	4,012,988	6,620,886	4,276,281	3,787,053
Santa Fe Convention Center	-	-	-	-	-	-	-	55,532	3,500	11,234
All other proprietary funds	-	-	-	-	-	24,515	69,953	-	-	40,000
Total business-type activities program revenues	\$ 52,479,862	\$ 65,444,749	\$ 55,038,572	\$ 70,085,934	\$ 86,840,965	\$ 72,268,337	\$ 61,186,080	\$ 79,155,109	\$ 79,758,588	\$ 79,955,961
Total government program revenues	\$ 69,171,554	\$ 80,869,647	\$ 83,146,405	\$ 90,358,367	\$ 85,716,379	\$ 93,070,403	\$ 86,619,818	\$ 102,717,564	\$ 103,166,892	\$ 103,134,751
Net (Expenses)/Revenue										
Governmental activities										
General Government	\$ (16,310,693)	\$ (16,760,800)	\$ (15,642,675)	\$ (14,426,112)	\$ (19,953,012)	\$ (22,835,982)	\$ (25,474,168)	\$ (26,114,844)	\$ (22,849,063)	\$ (21,203,473)
Public Safety	(25,132,491)	(26,925,514)	(29,230,322)	(29,734,304)	(29,098,230)	(30,310,309)	(33,305,681)	(32,511,078)	(30,918,609)	(34,471,787)
Public Works	(7,200,740)	(11,071,662)	(6,724,344)	(7,092,088)	(8,754,347)	(8,392,726)	(7,387,369)	(9,471,475)	(12,052,411)	(5,775,085)
Community development	(5,982,871)	(6,690,740)	(7,207,878)	(6,348,741)	(7,536,531)	(7,282,704)	(8,231,945)	(8,399,166)	(7,690,275)	(7,800,788)
Culture and recreation	(8,474,352)	(8,458,768)	(9,668,719)	(9,314,294)	(10,997,401)	(11,549,336)	(9,962,602)	(10,518,351)	(8,551,815)	(10,772,610)
Education	(2,280,164)	(2,456,459)	(2,302,116)	(2,573,152)	(2,737,868)	(2,864,722)	(2,899,570)	(2,988,945)	(2,846,887)	(2,673,364)
Interest on Long term debt	(5,375,063)	(5,093,359)	(5,630,475)	(5,404,184)	(9,583,608)	(4,563,643)	(5,465,528)	(4,852,553)	(4,852,553)	(5,847,128)
Business-type activities										
Wastewater Management	(3,164,569)	(1,264,423)	(1,135,151)	(1,034,336)	(1,078,381)	(1,979,893)	(3,133,480)	(1,832,730)	(1,996,630)	(2,496,725)
Water Management	9,447,173	19,705,928	6,998,300	23,044,709	8,752,614	12,641,484	5,575,369	16,679,727	10,176,667	1,169,932
College of Santa Fe	-	-	-	-	-	-	-	(343,204)	428,211	1,287,817
Municipal Recreation Complex	(1,970,945)	(2,106,612)	(2,189,624)	(2,461,005)	(1,984,066)	(1,846,789)	(1,234,579)	(238,358)	(177,212)	(662,506)
Railyard Center	-	-	977,135	(39,161)	2,159,776	7,477,159	(271,780)	(1,130,682)	(368,078)	(2,490,550)
Genoveva Chavez Community Center	(2,087,729)	(2,698,452)	(2,404,246)	(2,713,013)	(3,054,415)	(3,374,185)	(3,763,660)	(3,231,123)	(2,755,221)	(2,607,289)
Santa Fe Convention Center	(597,057)	(769,541)	(675,021)	(1,056,565)	(216,000)	(2,083,034)	(4,393,730)	(4,816,630)	(2,457,904)	(3,962,178)
Solid Waste Management	(443,401)	386,396	504,021	180,945	361,070	(464,847)	(380,582)	(4,816,630)	(962,340)	(1,422,992)
Transit and Airport Systems	(2,672,645)	(4,027,669)	(4,332,594)	(4,398,884)	(1,252,627)	(2,845,635)	(5,253,525)	(2,808,022)	(4,396,150)	(4,139,864)
Parking Enterprise Fund	(96,367)	169,591	(417,679)	(345,682)	(469,645)	(1,023,415)	(1,413,163)	(772,385)	(727,697)	(295,994)
All other proprietary funds	-	-	-	-	-	24,515	-	-	-	-
Total government expenses	\$ (72,341,914)	\$ (67,962,064)	\$ (79,081,388)	\$ (63,735,747)	\$ (85,443,671)	\$ (81,274,022)	\$ (106,985,993)	\$ (94,742,738)	\$ (93,092,957)	\$ (104,165,584)

(Continued)

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes In Net Assets										
Governmental activities										
Taxes										
Property taxes	\$ 1,462,020	\$ 1,545,895	\$ 1,846,328	\$ 1,759,219	\$ 3,584,591	\$ 3,954,867	\$ 3,773,701	\$ 6,659,311	\$ 7,763,486	\$ 8,317,589
Sales taxes	79,760,433	82,323,111	85,755,995	92,621,304	88,146,556	91,972,070	82,800,905	76,345,768	77,533,815	80,000,069
Lodgers taxes	-	-	-	-	8,677,392	8,797,321	7,872,311	7,238,114	8,350,150	7,881,259
Franchise taxes	2,086,183	2,269,999	2,308,962	2,418,323	2,391,985	2,549,067	2,646,539	2,589,218	2,228,689	2,595,193
Motor fuel taxes	299,457	1,307,593	1,432,828	1,582,130	1,130,555	1,854,875	1,896,868	1,739,763	1,792,433	1,772,322
Cigarette taxes	153,932	141,980	145,074	126,683	107,712	113,820	65,597	96,502	8,940	91
Unrestricted investment earnings	3,592,394	840,040	2,049,567	3,570,811	7,187,724	4,383,448	3,264,549	664,354	492,319	515,681
Miscellaneous revenues	1,208,258	1,463,231	1,884,446	991,112	1,947,896	1,401,382	1,684,015	1,538,546	1,993,112	1,176,732
Gain on sale of capital assets	3,976	1,039,062	-	117,180	-	142,601	-	215,508	-	73,295
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)	(11,714,456)	(16,463,102)
Special item-transfer of capital asset	-	-	(20,145,837)	-	-	-	-	-	-	-
Total governmental activities	80,071,468	78,827,411	61,914,641	89,021,128	36,843,173	85,188,406	83,315,039	81,351,388	88,446,488	85,809,109
Business-type activities										
Property taxes	-	-	-	-	7,123,902	9,800,497	11,055,714	10,451,588	10,615,795	-
Sales taxes	-	-	-	-	-	-	-	-	-	10,955,392
Unrestricted investment earnings	1,499,788	1,347,344	1,822,075	2,608,907	6,301,086	7,078,265	3,291,660	1,110,329	775,571	840,508
Miscellaneous revenues	-	1,567,250	2,793,299	1,650,873	379,523	1,689,583	1,997,811	-	-	(57,111)
Donated land	-	-	-	-	-	-	-	16,683,838	-	-
Gain (loss) on sale of capital assets	(41,845)	(41,889)	35,861	413,528	1,023,973	(24,603)	35,658	12,621	4,317,366	40,705
Transfers	8,496,185	12,103,500	13,282,714	14,175,434	76,331,238	29,791,045	20,489,446	15,734,696	11,714,456	16,463,102
Special item-transfer of capital asset	-	-	20,145,837	-	-	-	-	-	-	-
Total business-type activities	9,954,128	14,976,205	38,059,736	18,848,742	91,159,722	47,334,897	36,870,069	43,993,072	27,423,188	28,242,897
Total government	\$ 90,025,596	\$ 93,803,616	\$ 99,974,383	\$ 107,869,870	\$ 128,002,895	\$ 132,523,303	\$ 120,185,108	\$ 125,344,460	\$ 115,869,676	\$ 114,051,706
Change in Net Assets										
Governmental activities	\$ 9,315,094	\$ 1,470,119	\$ (14,491,882)	\$ 14,128,273	\$ (51,817,824)	\$ (2,810,996)	\$ (9,402,824)	\$ (14,135,424)	\$ (1,415,135)	\$ (2,736,126)
Business-type activities	8,368,588	24,371,433	35,384,877	30,005,851	94,377,048	53,860,277	22,601,959	44,737,146	24,191,854	12,622,248
Total government	\$ 17,683,682	\$ 25,841,552	\$ 20,887,005	\$ 44,134,123	\$ 42,559,224	\$ 51,249,281	\$ 13,199,135	\$ 30,601,722	\$ 22,776,719	\$ 9,886,122

Note: GASB 34 Implemented 2002

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General fund										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 440,752	\$ 145,699
Restricted	-	-	-	-	-	6,722,866	6,643,676	6,533,816	6,071,202	5,458,379
Committed	835,208	1,675,655	1,517,007	1,187,102	1,469,090	3,920,763	2,063,939	1,823,960	1,243,499	1,310,811
Unassigned	16,621,949	19,280,645	19,527,994	25,105,946	26,378,133	16,309,042	12,059,216	7,314,057	8,269,206	10,845,524
Total general fund	\$ 17,457,157	\$ 20,956,500	\$ 21,045,001	\$ 26,293,048	\$ 27,847,223	\$ 26,952,671	\$ 20,956,831	\$ 15,671,833	\$ 15,024,659	\$ 17,760,413
All Other Governmental Funds										
Non-spendable	-	-	-	-	-	-	-	-	11,184,545	11,443,717
Restricted	20,555,714	21,068,096	24,748,085	27,354,805	19,576,314	23,697,756	19,063,112	16,558,006	41,744,396	44,110,480
Committed	-	-	-	-	-	-	-	-	2,007,489	5,211,899
Assigned	7,112,747	5,108,988	4,627,065	71,980,338	18,536,628	25,927,119	4,738,444	4,802,848	3,375,086	6,064,720
Unassigned	42,877,220	55,001,474	50,737,536	51,579,009	46,262,108	51,720,722	56,203,130	37,176,386	(413,391)	(382,397)
Total all other governmental funds	\$ 70,545,681	\$ 81,178,558	\$ 80,112,686	\$ 150,914,752	\$ 84,375,050	\$ 101,345,597	\$ 80,004,686	\$ 58,537,240	\$ 57,898,125	\$ 66,448,219

Note: GASB 34 Implemented 2002

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 83,762,025	\$ 87,588,578	\$ 91,289,185	\$ 98,517,659	\$ 104,038,791	\$ 109,052,020	\$ 98,855,921	\$ 94,667,678	\$ 97,675,513	\$ 100,506,503
Licenses and permits	1,442,754	2,687,343	2,727,092	2,946,359	2,863,976	2,211,926	2,262,507	1,571,947	1,855,363	2,341,436
Intergovernmental revenues	11,117,950	6,176,008	18,204,501	10,003,225	8,140,070	12,057,485	16,866,068	15,447,798	12,021,488	12,082,661
Fees and charges for services	3,410,981	4,751,647	7,176,240	7,322,849	7,871,367	6,522,655	6,305,163	6,537,650	9,531,442	8,754,693
Sale of capital assets	3,976	18,888	79,164	197,052	28,793	42,601	42,204	215,508	35,552	-
Fines and forfeitures	421,146	319,827	375,497	290,372	304,993	527,173	518,267	526,845	448,621	370,072
Rents, royalties and concessions	298,861	586,737	99,520	79,202	165,995	79,490	130,047	126,043	219,650	205,990
Investment income	2,984,761	703,634	1,794,068	3,260,419	6,498,985	3,695,071	2,784,897	507,687	378,878	408,600
Land Sales	215,598	520,174	428,823	80,392	267,786	100,000	-	-	-	90,939
Other revenues	993,660	556,667	767,806	541,146	1,209,122	884,065	993,497	865,658	1,288,904	589,225
Total Revenues	104,651,712	105,889,503	122,941,696	123,238,675	131,389,878	135,162,486	128,758,371	120,486,812	123,455,612	125,350,319
Expenditures										
General government	17,408,043	18,286,525	29,316,163	19,036,303	22,514,387	26,330,509	27,641,394	25,807,820	23,115,451	22,986,525
Public safety	25,981,312	27,719,898	30,499,746	30,740,879	32,864,856	32,809,658	35,979,160	36,866,996	36,797,749	36,273,737
Public works	6,672,395	6,053,746	6,333,134	6,478,166	7,702,612	6,218,207	6,442,473	6,533,194	9,198,763	6,222,086
Community development	9,633,958	10,000,586	10,846,818	10,606,676	11,160,215	11,217,328	12,785,076	14,766,993	12,093,940	10,154,155
Culture and recreation	8,021,152	8,862,562	10,058,953	10,207,370	10,813,078	11,920,461	12,559,894	11,690,820	11,709,686	10,545,655
Education	2,274,474	2,450,329	2,522,707	2,568,199	2,732,739	2,859,578	2,892,938	2,983,168	2,841,615	2,670,215
Capital outlay	13,359,356	13,532,467	10,329,737	17,210,254	18,273,880	20,319,842	24,938,573	16,150,454	13,392,473	18,196,278
Capital outlay/inventory exempt	2,776,689	1,698,684	1,316,442	582,837	3,845,167	5,909,298	6,963,610	4,871,841	-	-
Debt Service:										
Principal	8,122,744	7,724,078	7,813,894	8,072,719	22,635,861	7,352,698	30,193,446	7,673,026	23,509,213	23,538,888
Interest and fiscal agent fees	5,445,493	5,681,334	5,505,673	6,050,067	10,803,454	5,361,324	6,301,926	5,784,564	6,562,034	6,202,697
Bond issuance costs	-	-	-	-	-	-	-	-	420,600	401,987
Total expenditures	99,595,614	102,000,189	114,542,267	111,563,470	143,146,047	130,299,103	166,696,490	133,118,876	139,641,524	137,192,024
Excess of revenues over (under)	5,056,098	3,889,314	8,399,429	11,685,205	(11,756,169)	4,863,383	(37,940,119)	(12,632,064)	(16,185,912)	(11,841,705)
Other Financing Sources (Uses)										
Transfers in	26,240,815	46,999,843	26,708,209	38,270,293	40,684,359	61,064,891	85,030,926	32,228,023	53,075,483	77,138,478
Transfers out	(35,874,406)	(56,589,827)	(39,887,743)	(52,070,727)	(116,975,199)	(90,855,936)	(104,721,290)	(46,385,517)	(84,789,919)	(92,759,737)
HUD loan payments (flow through)	-	-	-	-	25,656	7,862	58,866	7,113	31,815	30,973
Other uses	-	-	-	(300,000)	-	-	-	-	-	-
Other sources	-	19,880,589	1,715,667	14,985,587	-	-	-	-	-	-
Issuance of Bonds:										
Face value of bonds issued	-	-	8,470,000	59,930,000	24,940,000	40,135,000	26,370,000	-	25,305,000	32,725,000
Premium on issuance of bond	-	-	133,356	3,548,755	785,088	1,623,540	872,959	-	2,027,264	4,992,779
Payments to refund bond	-	-	(8,398,880)	-	-	-	-	-	-	-
Total other Financing sources (uses)	(7,633,591)	10,290,605	(11,059,392)	84,364,908	(50,540,196)	11,975,357	7,411,481	(14,130,381)	15,649,623	22,127,493
Net change in fund balances	\$ (2,577,493)	\$ 14,179,919	\$ (2,659,963)	\$ 76,050,113	\$ (82,296,365)	\$ 15,838,740	\$ (30,528,658)	\$ (26,762,445)	\$ (536,289)	\$ 10,285,788
Debt service as a percentage of noncapital expenditures	15.7%	15.2%	12.6%	15.0%	26.6%	11.6%	25.7%	11.5%	23.8%	25.0%

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
2003	2,141,583	6,431,180	68,192	204,780	29,939	2,179,836	6,458,054	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	36,587	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	188,078	67,679	3,627,507	10,893,414	33.3%
2011	3,655,579	10,977,715	61,775	185,511	70,146	3,647,208	10,952,577	33.3%
2012	3,669,055	11,018,183	59,346	178,216	71,910	3,658,120	10,979,339	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
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
2011	1.878	1.362	6.742	7.120	3.314	20.416
2012	1.729	1.360	6.662	7.048	3.292	20.091

NON-RESIDENTIAL

Tax Year Ended June 30	City	State	County	School District	Santa Fe Community College	Total Non- Residential Tax Levy
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
2011	3.560	1.362	13.701	7.485	4.015	30.123
2012	3.381	1.360	13.490	7.420	3.930	29.581

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	2012			2002		
	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	\$ 138,957,652	1	3.80%	\$ 97,450,742	1	4.70%
Qwest Corp	49,344,965	2	1.35%	76,997,523	2	3.71%
NM Gas Company	46,512,504	3	1.27%	-	-	-
Truzaf Ltd. Partnershp	43,118,920	4	1.18%	-	-	-
La Posada	41,314,844	5	1.13%	-	-	-
Wal-Mart	35,893,344	6	0.98%	-	-	-
Canyon Encantado LLC	26,303,770	7	0.72%	-	-	-
Corporacion De La Fonda Inc	25,920,700	8	0.71%	-	-	-
Eldorado Partnershp	23,417,400	9	0.64%	18,294,500	5	0.88%
BNSF Railway Company	23,155,946	10	0.63%	-	-	-
La Fonda Hotel	-	-	-	12,714,390	9	0.61%
St. Vincent Hospital	-	-	-	-	-	-
San Christobal Ranch	-	-	-	16,859,627	8	0.81%
Chelsea GCA Reality	-	-	-	12,925,337	8	0.62%
Zoro Ranch	-	-	-	18,145,397	4	0.88%
Antonio Baca	-	-	-	13,347,075	7	0.64%
Burlington Northern	-	-	-	11,833,476	10	0.57%
Villa Linda Mall	-	-	-	19,338,878	3	0.93%
Total	\$ 453,939,945		12.42%	\$ 297,907,745		14.35%

Source: Santa Fe County Assessor's Office

CITY OF SANTA FE, NEW MEXICO
TOTAL TAXABLE BASE FOR GROSS RECEIPTS BY FISCAL YEAR
(UNAUDITED)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Agriculture, Forestry, Hunting, Fishing	\$ 13,323,327	\$ 14,835,228	\$ 14,233,052	\$ 15,543,808	\$ 15,220,498	\$ 14,074,408	\$ 15,377,597	\$ 12,204,888	\$ 9,879,744	\$ 7,055,650
Mining	-	28,792	-	-	55,455	8,738	272,856	-	45,895	34,881
Transportation, Comm., Utilities	125,328,634	126,928,178	132,482,609	134,687,705	88,766,665	98,278,414	94,502,403	76,608,504	96,542,131	99,708,882
Construction	269,034,725	283,352,787	271,432,985	380,430,714	388,417,042	438,060,485	404,777,586	274,052,776	255,458,962	302,263,940
Manufacturing	53,881,403	54,428,710	57,877,054	65,874,819	64,132,851	65,750,198	64,959,608	49,920,425	54,372,037	51,923,568
Wholesale	70,050,020	33,008,529	52,857,424	75,216,627	82,668,311	84,371,974	50,164,427	48,175,711	48,888,043	52,366,170
Retail	1,033,008,717	1,111,472,486	1,109,047,122	1,174,552,952	989,287,438	987,207,613	948,902,960	891,484,336	884,291,670	899,263,874
Finance, Insurance & Real Estate	76,265,903	90,920,308	101,515,174	112,402,443	111,654,920	108,156,523	89,584,306	80,082,754	81,396,496	88,446,087
Services	971,407,620	994,134,811	991,322,300	1,100,096,163	1,101,909,545	1,118,580,311	1,123,074,448	1,128,156,567	1,146,522,994	1,162,173,866
Government	-	19,848	231,683	-	5,802	9,243	-	-	-	15,358
Unclassified/Misc. Other	5,922,033	61,077,585	104,911,676	5,113,158	13,316,089	28,073,156	13,465,097	19,867,134	7,583,405	10,460,937
Total	\$ 2,609,220,382	\$ 2,750,207,390	\$ 2,815,920,959	\$ 3,063,918,588	\$ 2,895,431,615	\$ 2,931,551,059	\$ 2,795,083,288	\$ 2,580,583,045	\$ 2,585,379,177	\$ 2,693,713,241

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

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

	2003	2004	2005	2006 ⁽¹⁾	2007	2008 ⁽²⁾	2009	2010	2011	2012
Agriculture, forestry, hunting	\$ 360,156	\$ 394,162	\$ 401,436	\$ 455,081	\$ 456,874	\$ 425,121	\$ 462,067	\$ 380,973	\$ 299,657	\$ 209,901
Mining	722	(771)		-	1,663	112	8,238	272	3,100	1,043
Utilities	101,488	1,502,911	1,216,904	1,543,145	2,240,231	2,312,958	2,244,517	2,283,430	2,126,983	2,511,000
Construction	7,363,629	7,200,207	7,538,377	9,413,746	11,877,725	13,329,669	11,981,369	8,218,948	7,478,285	8,653,011
Manufacturing	1,465,651	1,557,272	1,582,900	1,839,688	1,954,756	1,972,298	1,655,709	1,461,937	1,581,150	1,581,810
Wholesale	2,002,390	1,811,327	1,453,583	1,726,084	2,541,040	1,923,131	1,483,543	1,342,178	1,451,394	1,584,445
Retail	30,092,879	30,852,659	29,019,897	28,049,244	30,363,839	29,388,707	28,306,999	26,456,316	26,589,033	26,790,310
Transportation & warehousing	763,649	150,146	210,111	217,660	389,881	625,939	532,132	514,611	481,208	482,659
Information & Cultural Indust	-	592,009	1,209,249	1,238,465	1,673,707	1,631,339	1,704,690	2,755,004	3,267,602	3,441,276
Finance & insurance	1,726,658	869,778	775,655	809,785	960,829	1,168,871	982,546	881,891	940,872	944,034
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	1,442,114	1,673,830
Prof, Scientific, Technical	-	3,200,770	4,859,538	5,516,711	5,997,613	6,356,094	6,226,754	6,352,059	6,648,110	7,003,279
Management of companies	50,162	241,479	241,936	300,174	376,823	344,512	300,802	228,036	232,026	208,583
Admin & Support, Waste Mgt	-	35,204	101,369	203,807	289,906	442,406	445,420	539,050	794,833	885,692
Educational Services	-	133,238	185,471	227,896	254,368	254,901	258,390	319,473	491,982	545,237
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	4,533,433	4,425,757
Arts, Entertainment & Recr	-	131,952	236,192	271,597	342,073	387,837	364,818	398,593	456,067	422,002
Accommodation & Food	-	4,392,307	7,431,444	8,900,411	10,039,922	10,134,875	9,950,881	9,424,398	9,700,468	9,925,719
Other Services	21,644,932	15,566,920	10,932,030	10,278,795	10,291,231	9,940,018	9,540,958	8,583,369	8,291,669	8,593,209
Public Administration	-	472	1,393	491	133	274	-	-	-	1,168
Unclassified	5,999,655	2,231,658	2,490,505	3,948,493	463,376	1,199,556	402,126	381,402	374,213	209,789
State Reimb-Food/Med Tax-Exempt	-	-	2,493,403	8,370,340	7,461,268	12,605,194	10,195,332	10,411,415	9,963,290	10,374,852
Municipal Equivalent Distribution	-	-	-	-	-	-	115,947	302,556	318,208	357,337
Total GRT Revenue Distribution	\$ 72,002,023	\$ 75,560,469	\$ 78,304,206	\$ 89,076,552	\$ 94,197,236	\$ 100,507,493	\$ 93,166,880	\$ 86,993,348	\$ 87,468,897	\$ 91,025,923
City direct Gross Receipts Tax rate	6.59%	6.69%	7.31%	7.63%	7.63%	7.94%	7.94%	8.06%	8.19%	8.19%

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.

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

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

TABLE X

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

Fiscal Year	City Direct Rate	Santa Fe County
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%
2011	8.19%	6.62%
2012	8.19%	6.62%

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 2011 AND 2012
(UNAUDITED)

	Fiscal Year	
	2011	2012
0.05% Municipal Gross Receipts Tax (GRT) revenues	\$ 14,360,040	\$ 14,814,638
MGRT Infrastructure revenues	1,773,654	1,829,904
MGRT Environmental revenues	1,773,801	1,829,904
State shared GRT revenues	35,925,147	37,065,822
TOTAL	\$ 53,832,642	\$ 55,540,268

Source: City of Santa Fe Cash Management and Investment Officer

TABLE XII

CITY OF SANTA FE, NEW MEXICO
 SCHEDULE OF GROSS RECEIPTS TAX REVENUES
 FISCAL YEAR 2011 AND 2012
 (UNAUDITED)

	Fiscal Year	
	2011	2012
Municipal general GRT (Including Capital Improvements)	\$ 28,720,080	\$ 29,629,276
Infrastructure revenues	7,094,615	7,319,616
MGRT revenues	7,180,020	7,407,319
Environmental revenues	1,773,800	1,829,934
State-shared GRT revenues	35,925,147	37,065,822
Water Capital Outlay	7,063,026	7,295,554
Municipal Equivalent Distribution	333,680	348,815
TOTAL	\$ 88,090,368	\$ 90,896,336

Source: City of Santa Fe Cash Management and Investment Officer

TABLE XIII

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 ¹	Assessed Value ²	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
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
2011	68,642	\$ 3,647,208,573	\$ 28,950,000	\$ 3,063,476	\$ 25,886,524	0.79%	377
2012	68,500	\$ 3,656,120,170	\$ 27,710,000	3,431,635	\$ 24,278,365	0.76%	354

¹ Estimated population figures for 2003, 2004, 2005, 2006, 2007, 2008 and 2009 were provided by the City of Santa Fe Planning Department staff. Estimated population figures for 2010, 2011 were provided by US Census Bureau. 2012 population was estimated by Santa Fe Planning Department staff.

² 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.

³ The City issued its first general obligation debt in 28 years on June 10, 2008

TABLE XIV

CITY OF SANTA FE, NEW MEXICO
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL OBLIGATION BONDED DEBT
 TO TOTAL GENERAL FUND EXPENDITURES
 LAST FOUR FISCAL YEARS
 (UNAUDITED)

FISCAL YEAR	PRINCIPAL	INTEREST	DEBT SERVICE	TOTAL GENERAL FUND EXPENDITURE	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
2009	\$ -	\$ 541,860	\$ 541,860	\$ 68,683,865	0.0079
2010	\$ 600,000	\$ 829,457	\$ 1,429,457	\$ 67,956,485	0.0210
2011	\$ 750,000	\$ 883,796	\$ 1,633,796	\$ 69,496,944	0.0235
2012	\$ 1,240,000	\$ 1,105,258	\$ 2,345,528	\$ 62,787,324	0.0374

The City of Santa Fe issued its first general obligation bond in 28 years on June 10, 2008

TABLE XV

CITY OF SANTA FE, NEW MEXICO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2012
(UNAUDITED)

	General Obligation as of June 30, 2012	Percentage Applicable to City of Santa Fe	City of Santa Fe Share of Debt
State of New Mexico	\$ 348,116,100	6.44%	\$ 22,418,677
City of Santa Fe	\$ 27,710,000	100.00%	27,710,000
Santa Fe County	\$ 122,550,000	52.78%	64,681,890
Santa Fe Public Schools	\$ 115,975,000	57.03%	66,140,543
Santa Fe Community College	\$ 25,085,000	57.03%	14,305,976
Total Direct and Overlapping Debt			<u>\$ 195,257,085</u>

Ratios:

Total direct and overlapping debt to assessed valuation for tax year 2012 \$3,656,201,170	5.34%
Direct and overlapping debt to actual valuation of \$10,979,339,849	1.78%
Direct and overlapping debt per capita of 68,500	\$ 2,850

CITY OF SANTA FE, NEW MEXICO
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2010

Assesed Value	\$ 3,656,120,170
Debt Limit (4% of Assesed Value)	\$ 146,244,807
Debt applicable to limit	
General obligation bonds	(27,710,000)
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	<u>118,534,807</u>
Legal debt margin	<u>\$ 118,534,807</u>

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 87,193,425	\$ 95,022,312	\$ 104,897,268	\$ 115,557,716	\$ 126,847,421	\$ 138,039,594	\$ 140,214,312	\$ 145,100,287	\$ 145,888,343	\$ 146,244,807
Total net debt applicable to limit						(20,000,000)	(20,000,000)	(19,400,000)	(20,950,000)	(27,710,000)
Legal debt margin	\$ 87,193,425	\$ 95,022,312	\$ 104,897,268	\$ 115,557,716	\$ 126,847,421	\$ 118,039,594	\$ 120,214,312	125,700,287	118,938,343	118,534,807
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	14.49%	14.28%	13.37%	14.64%	18.95%

CITY OF SANTA FE, NEW MEXICO
 PLEDGED- REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Solid Waste System Bonds (1)						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
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	0	0	0.00
2007	9,558,837	8,266,994	1,291,843	0	0	0.00
2008 (2)	11,425,138	8,435,925	2,989,213	635,000	670,998	2.29
2009	12,278,761	8,141,442	4,136,319	665,000	642,423	3.16
2010	11,041,661	8,341,668	2,699,993	690,000	614,160	2.07
2011	11,861,931	9,609,128	2,252,805	720,000	584,835	1.73
2012	12,027,377	10,297,065	1,730,312	760,000	550,373	1.32

(1) Revenues pledged for 2012 included municipal gross receipts tax infrastructure revenues of \$1,829,904.

(2) The City of Santa Fe Gross Receipts Tax Refunding Revenue Bonds, Series 2006B, were reclassified as enterprise debt in the solid waste fund in FY 2007-2008.

Water System Bonds (1)						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2002	28,391,646	9,782,972	18,608,674.00	2,680,000	4,197,892	2.71
2003	30,603,150	12,980,867	17,622,283.00	2,805,000	4,074,612	2.56
2004	28,068,292	16,399,297	11,668,995.00	2,935,000	3,942,778	1.70
2005	25,672,488	16,891,351	8,781,137.00	3,170,000	3,707,978	1.28
2006	27,989,331	16,124,320	11,865,011.00	3,425,000	3,454,378	1.72
2007	30,092,304	18,063,030	12,029,274.00	3,695,000	3,549,049	1.66
2008	30,583,912	17,138,684	13,445,328.00	3,995,000	2,725,818	2.00
2009	26,473,819	18,182,591	8,291,228.00	2,105,000	2,406,219	1.84
2010	32,456,123	20,144,274	12,311,849.00	2,345,000	3,852,835	1.99
2011	42,996,211	18,429,596	24,566,615.00	3,625,594	5,551,724	2.68
2012	45,548,927	30,005,770	15,543,157.00	2,950,000	5,446,429	1.85

(1) Revenues pledged for 2012 included water system revenues and the 1/4% municipal capital outlay gross receipts of \$7,295,554.

(2) Debt includes bonds and loans.

Railyard Infrastructure Refunding Bonds (1)						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2011	936,098	107,965	828,133	240,000	223,687	1.79
2012 (2)	5,508,877	143,131	5,365,746	293,660	546,300	6.39

(1) The City of Santa Fe Subordinate Llan Gross Receipts Tax Refunding Revenue Bonds, Series 2010B, were issued December 14, 2010.

(2) Revenues pledged for 2012 include municipal gross receipts tax railyard infrastructure revenues of \$300,000.

(3) Debt includes the bond and loans.

(continued)

Municipal Recreation Complex Bonds (1)						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
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	554,653	0.85
2010	2,188,038	1,438,898	749,142	760,000	528,928	0.58
2011	2,017,133	1,156,748	860,385	790,000	500,428	0.67
2012	2,218,524	1,186,553	1,031,971	825,000	468,828	0.80

(1) Revenues pledged include Municipal Recreation Complex revenues with a subordinate lien on gross receipts tax revenues.

Convention Center Bonds (1)						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2008 (2)	1,393,947.00	671,547.00	722,400.00	285,000.00	1,968,800.00	0.32
2009	4,735,197.00	1,437,626.00	3,297,671.00	895,000.00	2,441,716.00	0.99
2010	3,939,717.00	1,709,132.00	2,230,585.00	1,010,000.00	2,345,325.00	0.68
2011	3,041,881.00	1,672,968.00	1,368,913.00	1,035,000.00	2,308,350.00	0.41
2012	5,109,312.00	1,494,863.00	3,614,449.00	1,085,000.00	2,270,413.00	1.08

(1) Revenues pledged for 2012 included convention center lodger's tax revenues of \$4,091,186.

(2) The New Mexico Finance Authority Convention Center loan was reclassified as enterprise debt in the convention center fund in FY 2007-2008. Debt includes the bond and loan.

Wastewater System Bonds (1)						
Fiscal Year End	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service	Debt Service		Coverage
				Principal	Interest	
2008 (2)	11,023,657.00	7,434,117.00	3,589,540.00	1,095,000.00	1,035,014.00	1.69
2009	11,670,486.00	8,108,002.00	3,562,484.00	1,120,000.00	661,951.00	2.00
2010	12,185,467.00	8,215,370.00	3,970,097.00	1,240,000.00	439,255.00	2.36
2011	14,425,862.00	8,427,836.00	4,998,026.00	1,365,000.00	416,510.00	2.81
2012 (3)	13,539,337.00	9,556,158.00	3,983,179.00	1,445,000.00	486,025.00	2.06

(1) Revenues pledged include wastewater and municipal gross receipts tax environmental revenues of \$1,829,934.

(2) The City of Santa Fe Gross Receipts Tax (Subordinate Lien) Wastewater Systems Variable Rate Revenue Bonds, Series 1997B, and the City of Santa Fe Subordinate Lien Gross Receipts Tax/Wastewater System Improvement Revenue Bonds, Series 2006C, were reclassified as enterprise debt in the wastewater fund in FY 2007-2008.

(3) The 1997B bonds were refunded March 1, 2012 by the Gross Receipts Tax (Subordinate Lien) Wastewater

NOTE: Details regarding governmental outstanding debt can be found in the notes to the financial statements

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 ¹	Per Capita
	GRT Bonds	General Oblig. Bonds	NMFA Loans	HUD 108 Loan	SFPS Loan	Capital Lease	MRC Bonds	Convention Center Bonds	Water Bonds	Wastewater Bonds	Solid Waste Bonds	NMFA Loans			
2003	165,955,000	-	-	-	-	1,009,888	17,090,000	-	55,435,000	-	-	1,755,647	191,245,313	10.63%	2,956
2004	117,210,000	-	-	-	-	482,888	16,575,000	-	62,500,000	-	-	1,604,296	196,352,164	10.52%	3,014
2005	109,810,000	-	1,168,867	300,000	-	110,959	16,030,000	-	59,330,000	-	-	7,135,548	193,983,174	9.89%	2,917
2006	161,900,000	-	18,021,535	299,000	-	1,033,941	14,515,000	-	65,905,000	-	-	5,686,877	255,361,153	12.14%	3,736
2007	164,345,000	-	15,881,874	298,000	-	770,795	13,845,000	-	53,785,000	-	-	14,221,135	263,148,604	12.01%	3,805
2008	92,615,000	20,000,000	15,739,976	297,000	-	520,046	13,140,000	50,505,000	49,790,000	28,895,000	13,710,000	28,962,201	312,174,223	13.71%	4,482
2009	85,435,000	20,000,000	18,114,530	279,000	-	261,059	12,405,000	49,610,000	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	48,600,000	105,310,000	24,535,000	12,455,000	59,086,893	379,347,397	18.76%	5,583
2011	71,545,000	28,950,000	18,213,291	243,000	280,000	-	10,855,000	4,755,500	102,465,000	23,170,000	11,735,000	47,505,487	319,718,278	15.49%	4,658
2012	82,630,000	27,710,000	17,572,603	225,000	-	-	10,030,000	46,480,000	99,515,000	20,105,000	10,975,000	46,515,124	361,757,727	17.39%	5,281

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

¹ SFPS is Santa Fe Public Schools for land purchase.

Resources: City of Santa Fe's Investment Officer and the Planning Department Staff

TABLE XIX

CITY OF SANTA FE, NEW MEXICO
DEMOGRAPHIC AND ECONOMIC INFORMATION
(UNAUDITED)

Year	Population	Personal Income (thousands of dollars)	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%
2011	68,642	2,172,587	31,651	5.00%

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
2011	68,642	145,648	2,082,224

Source: Estimated population figures for 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2009, 2010 and 2011 were provided by the City of Santa Fe Planning Dept. Staff.

Estimates for State for State population for 2000-2011 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	52,481	100%

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
2002	33,971	24,977	31,481
2003	34,454	25,639	32,295
2004	37,207	27,092	33,909
2005	39,690	28,641	35,452
2006	42,276	30,209	37,725
2007	44,268	31,675	39,506
2008	45,130	33,490	40,947
2009	42,467	32,200	38,637
2010	43,389	32,340	39,791
2011	42,928	34,133	41,650

Source: Bureau of Business & Economic Research, UNM-2012 information not available

(Continued)

TABLE XIX

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	5,882	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	5,386	0	13,591
2010	1,256	7,157	5,271	0	13,684
2011	1,249	7,187	5,361	0	13,797

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
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
2011	N/A	N/A	N/A	N/A	N/A

Source: New Mexico Department of Education

(Continued)

TABLE XIX

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
2001	2,392	8,421	516	118	146
2002	2,369	8,635	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	8,981	473	50	327
2008	2,121	9,039	483	33	270
2009	931	9,393	473	69	325
2010	268	9,799	463	N/A	442
2011	N/A	9,505	490	221	539

Source: Individual Institutions

TABLE XX

CITY OF SANTA FE, NEW MEXICO
PROPERTY VALUE, CONSTRUCTION PERMITS AND UTILITY CONNECTIONS
LAST TEN CALENDAR YEARS
(UNAUDITED)

CALENDAR YEAR	PROPERTY VALUE ¹	CONSTRUCTION PERMITS ²	
		ISSUED	VALUE
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
2011	6,916,810,418	4,161	105,449,986
2012	6,896,495,216	4,751	179,671,299

Utility Connections

CALENDAR YEAR	WATER METERS ³	ELECTRIC METERS ⁴	GAS METERS ⁵
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
2011	39,642	77,107	52,764
2012	39,856	77,338	52,888

Source:

¹ Santa Fe County Assessor: Value of property on which taxes are assessed.

² City of Santa Fe Building Inspectors Office.

³ Sangre De Cristo Water Division

⁴ Public Service Company of New Mexico

⁵ New Mexico Gas Company

TABLE XXI

CITY OF SANTA FE, NEW MEXICO
TEN LARGEST EMPLOYERS
SANTA FE METROPOLITAN AREA
JUNE 30, 2012
(UNAUDITED)

EMPLOYER	TYPE OF BUSINESS	APPROXIMATE NUMBER OF EMPLOYEES	PERCENTAGE ¹
State of New Mexico	Government	9,443	11.8%
Santa Fe School District	Education	1,850	2.3%
U.S. Federal Government	Government	1,750	2.2%
City of Santa Fe	Government	1,719	2.2%
Christus St. Vincent Hospital	Medical	1,450	1.8%
Santa Fe County	Government	815	1.0%
Santa Fe Community College	Education	717	0.9%
Santa Fe Opera	Entertainment	650	0.8%
Santa Fe University of Art and Design	Education	564	0.7%
Santa Fe Ski Company	Recreation	437	0.5%
Totals		<u><u>19,395</u></u>	<u><u>24.3%</u></u>

¹ These percentages are based on a total civilian labor force (Santa Fe County) estimated at 79,907 from Santa Fe County Open Public Records and the New Mexico Department of Labor for 2012

TABLE XXII

CITY OF SANTA FE, NEW MEXICO
 AUTHORIZED BUDGETED POSITIONS OF CITY GOVERNMENT EMPLOYEES BY FUNCTION
 FOR THE LAST TEN FISCAL YEARS
 (UNAUDITED)

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government	262	271	271	284	313	313	325	307	309	311
Public safety										
Police										
Officers	151	150	150	150	120	158	162	160	160	160
Civilians	48	49	49	49	80	42	45	42	42	52
Fire										
Firefighters and officers	112	112	112	118	127	126	140	145	145	153
Civilians	12	10	10	9	15	16	19	8	8	9
Highways and streets										
Engineering	65	71	71	77	72	74	83	75	75	75
Maintenance	83	87	87	83	84	80	78	78	78	78
Sanitation	125	135	135	132	131	131	132	132	133	133
Culture and recreation	561	570	570	574	567	570	585	570	572	573
Water	71	74	80	86	86	87	105	95	97	99
Transit	78	84	84	89	101	111	117	116	116	116
Parking	60	59	59	54	56	58	70	64	64	64
Total	1628	1672	1678	1705	1752	1766	1861	1792	1799	1823

Source: City of Santa Fe Budget Office

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF INSURANCE IN FORCE
June 30, 2012
(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	\$300,000 \$12,984,016	\$500,000	(Medical and indemnity)
II Midwest Employers Casualty Company Excess Worker's Compensation	SP-9938-NM	July 1 - June 30	Statutory limit	\$102,290	\$600,000	Self-Insured Retention
III St. Paul Insurance Company Public Entity Package A Public Building Contents/Pers. Prop B General Liability C Foreign Jurisdiction D Auto Liability E Auto Physical Damage F Healthcare Professional G Inland Marine H Law Enforcement I Public Officials & Employment Practices	GPO6301413	July 1 - June 30	\$250,000,000 Aggregate \$3 million, \$1,050,000 tort limit \$1,050,000 \$1,050,000 Actual Cash Value \$1,050,000 Various \$4,000,000 \$4,000,000	\$1,674,998	\$75,000 \$50,000 \$50,000 \$50,000 \$25,000 \$50,000 \$50,000	Self-Insured Retention Self-Insured Retention Self-Insured Retention
IV Travelers Indemnity Company Boiler/Machinery Hazardous Substance Water Damage Ammonia Contamination Expediting Expenses Ordinance or Law	DA99MG2092X05501002	July 1 - June 30	\$10,000,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$500,000	\$28,458	\$5,000	
V HUB International A Ace Property & Casualty Insurance Company Airport General Liability	AAPN0097867A	July 1 - June 30	\$20,000,000	\$12,300	\$2,500	
VI United Health Care Insurance Company 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	\$654,855 \$86,228 \$429,751		Stoploss
VII Zurich American Insurance Company Underground Storage Tank Liability	USC 92723045	July 1 - June 30	\$1,000,000 Total	\$5,134	\$5,000	
VIII Charis 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	\$70,299 \$34,682 \$12,300	\$50,000 \$25,000 \$25,000	Retention
IX Fireman's Fund Exhibition Floater	(XX)-98307070	July 1 - June 30	\$26,000	\$1,000	\$500	
X St. Paul Insurance Co. Skateboard/BMX/Track/Parks	GPO6301413	July 1 - June 30	\$1,000,000 aggregate	incl in Blanket Policy	\$50,000	Self Insurance Retention

CITY OF SANTA FE, NEW MEXICO
MISCELLANEOUS STATISTICS
(UNAUDITED)

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)	46.3
Fire Protection	
Number of stations (Manned and Unmanned)	10
Total employees (Includes 9 Civilians)	158
Police Protection	
Number of stations	3
Total employees (Includes 44 Civilians)	202
Parks	
Acreage (developed, not open space or trails)	923
Number of parks	68
Community centers and recreational buildings	3
Swimming pools	4
Tennis courts	19
Libraries	
Holdings	380,306 items
Circulation	736,478 per year
Municipal Sewer	
Number of sewer accounts	36,305
Miles of sanitary lines	347

Notes:

Data as of June 30, 2012

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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, 2012

	Type of Account	Bank Balance	Outstanding Checks	Deposits In Transit	Carrying Balance	FAIR VALUE
Change, imprest funds	Petty cash	\$ -	\$ -		\$ 24,288	\$ 24,288
Deposits with financial institutions:						
Wells Fargo Bank - General Liability	Checking	58,360	100,050	-	(40,690)	(40,690)
Wells Fargo Bank - Workers' Comp	Checking	49,620	41,592	11,715	18,743	18,743
Wells Fargo Bank - HUD Loan Repayment	Checking	1,911	-	-	1,911	1,911
Wells Fargo Bank - HUD Debt Service Reserve	Checking	40,054	-	-	40,054	40,054
Wells Fargo Bank - Common	Checking	275,793	-	-	275,793	275,793
Wells Fargo Bank - Overland Sweep	Sweep	10,915,038	1,327,122	528,364	10,117,280	10,117,280
Wells Fargo Bank - Credit Card	Checking	-	-	90,022	90,022	90,022
Wells Fargo Bank - Payroll	Checking	3,122,780	1,970,376	2,182	1,154,566	1,154,566
Wells Fargo Bank - Business Savings	Savings	36,410,176	-	-	36,410,176	36,410,176
First National Bank of Santa Fe Savings	Checking	6,722,568	-	-	6,722,568	6,722,568
The Huntington National Bank-Redflex Camera	Checking	62,116	-	-	62,116	62,116
New Mexico Finance Auth - Fire Vehicle Loan-Reserve	Trust	117,184	-	-	117,184	117,184
New Mexico Finance Auth - Fire Vehicle	Trust	29	-	-	29	29
New Mexico Finance Auth - Parking Garage	Trust	3	-	-	3	3
New Mexico Finance Auth - Rallyard 1 Reserve Taxabl	Trust	52,975	-	-	52,975	52,975
New Mexico Finance Auth - College of Santa Fe	Trust	6	-	-	6	6
New Mexico Finance Auth -SWAMA Reserve	Trust	100,444	-	-	100,444	100,444
New Mexico Finance Auth -SWAMA	Trust	1	-	-	1	1
New Mexico Finance Auth - Other Loan Acnts < \$1	Trust	2	-	-	2	2
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
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	500,000	-	-	500,000	500,000
Community Bank-CD	Time Deposit	2,500,000	-	-	2,500,000	2,500,000
First National Bank of Santa Fe	Time Deposit	279,124	-	-	279,124	279,124
First National Bank of Santa Fe	Time Deposit	1,000,000	-	-	1,000,000	1,000,000
First National Bank of Santa Fe	Time Deposit	2,000,000	-	-	2,000,000	2,000,000
First National Bank of Santa Fe	Time Deposit	3,000,000	-	-	3,000,000	3,000,000
Wells Fargo Bank	Time Deposit	10,000,000	-	-	10,000,000	10,000,000
Total bank and carrying balances		88,210,162	3,439,140	632,283	85,403,305	86,403,305
Wells Fargo Gov't Money Market - 2009A&B Reserve-Cash	Investment	68,534	-	-	68,534	68,534
Wells Fargo Gov't Money Market - 2009A&B Reserve-Bonds	Investment	5,275,000	-	-	5,275,000	5,276,985
Wells Fargo Government Money Market - Cash	Investment	125,700	-	-	125,700	125,700
NM State Local Government Investment Pool (LGIP)	Investment	682,567	-	-	682,567	682,567
NM State LGIP Reserve Contingency Fund	Investment	20,301	-	-	20,301	20,301
U.S. Government Agency Securities	Investment	123,014,021	-	-	123,014,021	123,208,604
New Mexico Municipal Securities	Investment	1,865,000	-	-	1,865,000	1,923,514
Total investment balances		131,051,113	-	-	131,051,113	131,306,195
Total Accounts		219,261,275	3,439,140	632,283	218,478,706	218,733,788
<i>Less: joint venture share of pooled cash</i>		<i>(20,894,720)</i>	<i>-</i>	<i>-</i>	<i>(20,894,720)</i>	<i>(20,922,771)</i>
TOTAL		\$ 198,366,555	\$ 3,439,140	\$ 632,283	\$ 195,683,986	\$ 195,806,017

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
(MARKET VALUE)
June 30, 2012

	Bank Balance	Total Unsecured Public Funds	Pledged Securities Market Value	Maturity Date
<u>WELLS FARGO BANK:</u>				
<u>Non-Interest Bearing Accounts</u>				
General Liability Checking	59,380			
Worker's Comp Checking	49,620			
HUD Debt Service Reserve Checking	1,911			
Common Checking	275,793			
<u>Payroll Checking</u>	<u>3,122,760</u>			
Total Checking Requiring Collateral	3,509,444			
<u>Federal Depository Insurance - 100% on NIB</u>	<u>(3,509,444)</u>			
Total Unsecured Public Funds - NIB				
*NIB = Non-Interest Bearing Accounts				
<u>Interest Bearing Accounts</u>				
HUD Debt Service Reserve Checking	40,054			
Savings	36,410,176			
Certificate of Deposit	10,000,000			
Total Requiring Collateral	46,450,230			
<u>Federal Depository Insurance</u>	<u>(250,000)</u>			
Total Unsecured Public Funds - Interest Bearing		46,200,230		
Total Unsecured Public Funds		46,200,230		
<u>Collateral held by Bank of New York Mellon</u>				
FNMA, CUSIP 3138A2BQ1			(48,070,069)	12/01/40
FNMA, CUSIP 31418AD98			(1,418,513)	03/01/42
Total Pledged Collateral			<u>(49,488,582)</u>	
Difference Between Pledged Collateral and Unsecured Funds			(3,288,352)	
102% pledged collateral requirement			47,124,235	
Total Pledged Collateral			<u>(49,488,582)</u>	
Pledged collateral (over) under 102% requirement			<u>(2,364,347)</u>	
<u>Sweep Account - Collateralized Separately</u>				
Sweep Repurchase Account	10,916,038			
Total Requiring Collateral	10,916,038			
<u>Federal Deposit Insurance</u>	<u>0</u>			
Total Unsecured Public Funds		10,916,038		
<u>Collateral Held In Wells Fargo Bank Pooled Collateral Account At Federal Reserve Bank of San Francisco</u>				
FHG-3, CUSIP 31292LFZ3			(11,134,359)	04/01/42
Total Pledged Collateral			<u>(11,134,359)</u>	
Difference between Pledged Collateral and Unsecured Funds			(218,321)	
102% pledged collateral requirement			11,134,359	
Total Pledged Collateral			<u>(11,134,359)</u>	
Pledged collateral (over) under 102% requirement **			<u>(0)</u>	

(continued)

	Bank Balance	Total Unsecured Public Funds	Pledged Securities Market Value	Maturity Date
<u>FIRST NATIONAL BANK OF SANTA FE:</u>				
Certificate of Deposit	3,000,000			
Certificate of Deposit	2,000,000			
Certificate of Deposit	1,000,000			
Certificate of Deposit	279,124			
Savings	6,722,568			
Total Checking Requiring Collateral	13,001,690			
<u>Federal Deposit Insurance</u>	(250,000)			
Total Unsecured Public Funds		12,751,690		
<u>Collateral Held by Federal Reserve Bank of Boston</u>				
FNMS, CUSIP 31371RMM5			(128,285)	02/01/33
FNMS, CUSIP 3138AW4W0			(9,887,735)	11/01/28
FNMS, CUSIP 31418AAK4			(4,684,585)	11/01/21
Subtotal Collateral			(14,700,605)	
Difference between Pledged Collateral and Unsecured Funds			(1,948,915)	
102% pledged collateral requirement			13,006,724	
Total Pledged Collateral			(14,700,605)	
Pledged collateral (over) under 100% requirement			(1,693,881)	
<u>LOS ALAMOS NATIONAL BANK</u>				
Certificate of Deposit	10,000,000			
Certificate of Deposit	250,000			
<u>Federal Deposit Insurance</u>	(250,000)			
Total Unsecured Public Funds		10,000,000		
<u>Collateral Issued by Federal Home Loan Bank of Dallas</u>				
Letter of Credit			(6,250,000)	10/22/12
Letter of Credit			(4,000,000)	05/15/13
Total Pledged Collateral			(10,250,000)	
Difference between Pledged Collateral and Unsecured Funds			(250,000)	
102% pledged collateral requirement			10,200,000	
Total Pledged Collateral			(10,250,000)	
Pledged collateral (over) under 100% requirement			(50,000)	
<u>COMMUNITY BANK</u>				
Certificate of Deposit	2,500,000			
Certificate of Deposit	500,000			
Total Requiring Collateral	3,000,000			
<u>Federal Deposit Insurance</u>	(250,000)			
Total Unsecured Public Funds		2,750,000		
<u>Collateral:</u>				
Federal Reserve Bank of Boston: FHLB, CUSIP 313376RNR			(302,973)	03/11/16
Federal Home Loan Bank of Dallas: Letter of Credit (100%)**			(2,500,000)	02/19/13
Total Pledged Collateral			(2,802,973)	
Difference between Pledged Collateral and Unsecured Funds			(52,973)	
100% and 102% pledged collateral requirements			2,756,000	
Total Pledged Collateral			(2,802,973)	
Pledged collateral (over) under 100% requirement**			(46,973)	

** The 102% requirement is necessary for pledged collateral that changes value. Letters of credit do not change value so 100% is sufficient

CITY OF SANTA FE, NEW MEXICO
Proprietary Funds
Schedule of Capital Assets and Depreciation
For the Year Ended June 30, 2012

ALLOWANCE FOR DEPRECIATION

	Balance			Balance June 30, 2012	ALLOWANCE FOR DEPRECIATION		
	June 30, 2011	Additions	Deletions		Current Fiscal Year Deprec.	Accumulated Balance June 30, 2011	Net Asset Value June 30, 2012
Enterprise funds							
Land	\$ 38,260,558	\$ -	\$ -	\$ 38,260,558	\$ -	\$ -	\$ 38,260,558
Water Rights	916,967	16,292	-	932,659	-	-	932,659
Buildings and structures	186,637,479	5,866,815	(17,266)	192,487,028	4,384,992	38,459,645	154,027,383
Improvements	82,426,409	14,140,577	-	96,566,986	7,384,649	54,726,577	41,840,409
Sewerlines and Utility Systems	102,885,247	136,740	-	103,021,987	3,787,749	59,143,303	43,879,684
Equipment and machinery	20,539,637	394,244	(502,016)	20,431,865	1,395,012	15,702,525	4,789,340
Furniture and fixtures	774,049	-	(89,513)	684,536	11,198	665,450	19,086
Vehicles	24,690,838	1,840,978	(1,364,974)	25,166,842	1,790,352	16,068,320	9,098,522
Intangible plant	57,625	-	-	57,625	-	57,625	-
Data processing and software	3,351,430	154,910	(232,791)	3,273,549	189,527	2,286,109	887,440
Art	185,971	-	-	185,971	-	-	185,971
Construction in progress	177,679,207	15,338,772	(14,254,662)	178,763,317	-	-	178,763,317
Total - primary government	638,464,817	37,889,328	(16,461,222)	659,892,923	18,943,479	187,109,554	472,783,369
Total Proprietary funds	\$ 638,464,817	\$ 37,889,328	\$ (16,461,222)	\$ 659,892,923	\$ 18,943,479	\$ 187,109,554	\$ 472,783,369

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, 2012
(Unaudited)

Recipient	Year Issued	Year of Retirement	Interest Rate	Amount of Issue	Purpose
Hillhaven Corporation	1983	2013	6.80%	4,060,000	Nursing Home
First Interstate Plaza Assoc.	1994	2013	10.25%	400,000	Refunding of 1983 Issue for Commercial Office
St. John's College	1998	2024	4.5-5.5%	6,900,000	Refunding of 1992 Issue and Facilities Construction
Ridgetop Road LLC	2007	2037	15.00%	45,000,000	Commercial Office
St. John's College	2011	2028	4.10%	8,310,000	Facilities Construction

CITY OF SANTA FE, NEW MEXICO
Schedule of Bonds and Loans Payable
Classified by Fund and Purpose
June 30, 2012 (UNAUDITED)

Fund and Purpose	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Outstanding June 30, 2012	
					Issue Remaining	Total
Revenue bonds payable solely from state-shared taxes:						
Gross receipts tax - Series 2004A	2.00% - 5.00%	01/14/2004	18,880,000	June 1, 2018	\$ 25,000	
Series 2008	3.25% - 5.00%	02/14/2008	17,710,000	June 1, 2023	14,780,000	
Series 2008	3.25% - 5.50%	04/07/2008	20,135,000	June 1, 2022	20,116,000	
Series 2010A	2.00% - 5.00%	12/14/2010	15,005,000	June 1, 2015	15,005,000	
Series 2012A	3.00% - 5.00%	03/01/2012	37,725,000	June 1, 2028	32,725,000	
Total bonds payable solely from state-shared taxes					<u>82,630,000</u>	
General obligation bonds payable solely from property tax:						
Property tax - Series 2008	3.75% - 5.00%	06/10/2008	20,000,000	June 1, 2028	17,875,000	
Property tax - Series 2010	2.00% - 4.00%	11/01/2010	10,300,000	June 1, 2030	9,835,000	
Total bonds payable solely from property tax					<u>27,710,000</u>	
Total bonds payable from tax revenue (governmental)						\$ 110,340,000
Revenue bonds payable from Enterprise funds (primary government)						
Convention Center - NMFA Series 2006	3.75% - 4.75%	03/28/2006	42,220,000	June 15, 2035	38,555,000	
Series 2008 GRT/CCTR Share	3.25% - 5.50%	04/07/2008	8,570,000	June 1, 2022	7,925,000	
Total bonds payable from Convention Center fund					<u>46,480,000</u>	
Solid Waste - Series 2006B	4.25% - 5.00%	07/31/2006	15,180,000	June 1, 2023	10,975,000	
Total bonds payable from Solid Waste fund					<u>10,975,000</u>	
Municipal Recreation Complex - Series 2005	3.50% - 4.25%	08/30/2005	15,315,000	June 1, 2024	10,030,000	
Total bonds payable from Municipal Recreation Complex fund					<u>10,030,000</u>	
Water Revenue Bonds - Series 2006D	4.25% - 5.00%	08/09/2006	49,780,000	June 1, 2025	41,100,000	
Series 2009A&B	2.00% - 5.20%	12/15/2009	59,970,000	June 1, 2039	56,415,000	
Total bonds payable from Water fund					<u>97,515,000</u>	
Wastewater Bonds - Series 2006C	4.125% - 5.00%	09/29/2006	9,780,000	June 1, 2021	8,680,000	
Series 2012B	2.00% - 5.00%	03/01/2012	14,280,000	June 1, 2022	13,425,000	
Total bonds payable from Wastewater fund					<u>20,105,000</u>	
Railyard Center Refunding Bonds - Series 2010B	2.00% - 5.00%	12/14/2010	10,480,000	06/01/36	10,020,000	
Total revenue bonds payable from Railyard fund					<u>10,020,000</u>	
Total revenue bonds payable from Enterprise funds (business-type)						<u>197,125,000</u>
TOTAL LONG-TERM BOND INDEBTEDNESS						<u><u>307,465,000</u></u>

(continued)

Fund and Purpose	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Outstanding June 30, 2012	
					Issue Remaining	Total
LOANS PAYABLE						
Loans payable from 1/2% Municipal GRT						
NMFA SANTAFE#18 - Land Acquisition	2.20% - 5.04%	08/01/2008	3,610,000	06/01/28	3,109,603	
Total loans payable from 1/2% Municipal GRT					<u>3,109,603</u>	
Loans payable from Municipal GRT - Rallyard						
NMFA SANTAFE#8 - Rallyard Infra.	1.40% - 5.44%	09/24/2004	578,025	05/01/2024	461,065	
NMFA SANTAFE#16B - Rallyard Infra.	6.44% - 6.12%	10/20/2008	892,227	06/01/26	790,311	
NMFA SANTAFE#13 - Parking Garage	3.27% - 4.49%	03/28/2008	14,986,587	06/01/36	14,304,645	
Total loans payable from 1/2% Municipal GRT					<u>15,556,021</u>	
Total loans payable from tax revenue						18,865,524
Loans payable from Water Enterprise Fund						
NMFA SANTAFE#18 - Buckman	0.25%	11/02/2007	100,000	06/01/27	154,710	
NMFA SANTAFE#19 - Buckman	0.25%	03/27/2009	400,000	08/01/39	892,683	
NMFA SANTAFE#WPF4 - Buckman	0.25%	05/07/2010	800,000	08/01/30	721,786	
NMFA SANTAFE#WPF6 - Buckman	0.25%	05/06/2011	400,000	08/01/31	760,942	
NMFA SANTAFE#22 - Water Upgrade Project	1.00%	08/04/2010	210,777	06/01/31	201,204	
NMFA SANTAFE#DW-2 - Buckman	2.00%	05/18/2008	15,150,000	08/01/29	13,242,823	
NMFA SANTAFE#DW-3 - Green Energy Effic.	2.00%	08/13/2010	250,000	06/01/32	280,736	
NMFA SANTAFE#WPF3 - Canyon Rd. Treatm	0.25%	06/12/2009	400,000	06/01/39	341,269	
NMFA SANTAFE#WPF5 - Watershed Manage	0.25%	05/07/2010	284,892	06/01/20	212,441	
NMFA SANTAFE#WPF7 - Canyon Rd. Reserv	0.25%	09/06/2011	300,000	06/01/31	285,353	
Total loans payable from Water Fund					<u>18,893,747</u>	
Total loans payable from Enterprise Funds						18,893,747
Loans payable from State Fire Grant						
NMFA SANTAFE#10 - Fire Equipment	8.7% - 3.08%	01/14/2005	1,168,667	05/01/13	158,455	
Total loans payable from State Fire Grant					<u>158,455</u>	
Loans payable from third parties						
Laureate Education, Inc. facility lease:						
NMFA SANTAFE#20 - College of Santa Fe	1.81% - 8.07%	08/14/2008	29,815,000	06/01/36	28,370,000	
Santa Fe Business Incubator, Inc. loan payment						
HUD Section 108 Loan	3.16%	08/30/2004	300,000	08/01/24	225,000	
Total loans payable from third parties					<u>28,595,000</u>	
Total loans payable from Special Sources						<u>28,753,455</u>
TOTAL LONG-TERM LOAN INDEBTEDNESS						<u>64,312,726</u>
TOTAL OUTSTANDING INDEBTEDNESS						<u>\$ 371,777,726</u>

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
FISCAL YEAR ENDED
June 30, 2012

PARTICIPANTS	RESPONSIBLE PARTY	DESCRIPTION	DATES OF AGREEMENT	TOTAL AMOUNT/ CITY SHARE	FY11 AMOUNT	AUDIT RESPONSIBILITY
City of Santa Fe Santa Fe County	Both	Joint Regional Trails & Open Space Santa Fe River Trail Project	07/11/2011 06/30/2013	Per Agreement	Per Agreement	Both
City of Santa Fe Immigration & Customs/HIS	Both	Establish Procedures for Reimbursement of Law Enforcement Expenses	07/14/2011 Per Agreement	Per Agreement	Per Agreement	Both
City of Santa Fe Administrative Office of the Courts	Both	The City Shall Provide Bus Passes to the SFDWI Program Participants	07/18/2011 09/30/2011	\$400	\$400	Both
City of Santa Fe NM Dept of Transportation	Both	FY 2011-2012 Santa Fe Trails Ride Finder Program	07/13/2011 06/30/2012	\$71,773	\$71,773	Both
City of Santa Fe Solace Crisis Treatment Center	Both	Clearly Identify a Rental Agreement Between Parties	08/23/2011 07/01/2012	\$12,860	\$12,860	Both
City of Santa Fe Santa Fe Public Schools	Both	Provide Curriculum Pertaining to the Santa Fe 400th Anniversary - ECHO Project	08/24/2011 Per Agreement	\$12,700	\$12,700	Both
City of Santa Fe County of Santa Fe	Both	Day Reporting Program for Community Services Division	09/14/2011 Per Agreement	Per Agreement	Per Agreement	Both
City of Santa Fe Earth Care	Both	AmeriCorps Member Volunteer to Address Food Related Social, Economic and Health Issues as Specified	09/28/2011 Per Agreement	\$5,000	\$5,000	Both
City of Santa Fe NM EDD. Film Division	Both	Define Obligations Regarding Airing of NM Films On City's Cable Television Channel	10/03/2011 12/31/2012	N/A	N/A	Both

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
FISCAL YEAR ENDED
June 30, 2012

PARTICIPANTS	RESPONSIBLE PARTY	DESCRIPTION	DATES OF AGREEMENT	TOTAL AMOUNT/ CITY SHARE	FY11 AMOUNT	AUDIT RESPONSIBILITY
City of Santa Fe Administrative Office of the Courts	Both	The City to Provide the SFDWI Program Bus Passes for Program Participants	10/12/2011 09/30/2012	\$1,000	\$1,000	Both
City of Santa Fe County of Santa Fe	Both	Teen Court Referrals	10/18/2011 08/30/2012	\$20,000	\$20,000	Both
City of Santa Fe Partners in Education Foundation	Both	Contractor to Provide Aesthetic Education Program	10/28/2011 Per Agreement	Per Agreement	Per Agreement	Both
City of Santa Fe County of Santa Fe	Both	Joint Burglary Task Force	11/04/2011 Per Agreement	Per Agreement	Per Agreement	Both
City of Santa Fe County of Santa Fe	Both	Southside Library to Perform Services for County Residents	11/23/2011 06/30/2012	\$20,000	\$20,000	Both
City of Santa Fe Dept of Interior Bureau of Reclamation	Both	Santa Fe Basin Study WaterSMART Basin Study	11/30/2012 Per Agreement	Per Agreement	Per Agreement	City of Santa Fe
City of Santa Fe State of NM Legislative Council	Both	LCS Agrees to Initiate the Crossing Guard Program	01/06/2012 06/30/2013	\$4,000	\$4,000	Both
City of Santa Fe County of Santa Fe	Both	To Improve Availability of Safe & Nutritious Food	02/02/2012 06/30/2012	\$8,500	\$8,500	Both
City of Santa Fe Santa Fe Clay Company	Both	Regarding Parking at the Railyard Parking Structure	02/29/2012 02/28/2017	Per Agreement	Per Agreement	City of Santa Fe

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
FISCAL YEAR ENDED
June 30, 2012

PARTICIPANTS	RESPONSIBLE PARTY	DESCRIPTION	DATES OF AGREEMENT	TOTAL AMOUNT/ CITY SHARE	FY11 AMOUNT	AUDIT RESPONSIBILITY
City of Santa Fe Santa Fe County	Both	Provide Educational Services, Life Skills Training, Therapy & Counseling to Juvenile Offenders	03/06/2012 06/30/2012	\$56,250	\$56,250	Both
City of Santa Fe NM Environment Department	Both	NMED to Install, Operate & Maintain Air Monitoring Equip & Associated Facilities	03/16/2012 Per Agreement	Per Agreement	Per Agreement	Both
City of Santa Fe SFCC & County of Santa Fe & Indian School & IAIA	Both	Establishment of the Santa Fe Regional Telecommunications Coalition	03/16/2012 Per Agreement	Per Agreement	Per Agreement	Both
City of Santa Fe NM TRD Admin Services	Both	City to Provide Parking at SFCC & Meters for TRD Staff	06/19/2012 06/30/2012	Per Agreement	Per Agreement	Both
City of Santa Fe SF Metropolitan Planning Org	Both	Collection, Delivery & Payment for Traffic Count Data	06/26/2012 Per Agreement	\$20,000	\$20,000	Both
City of Santa Fe Heritage Hotels & Resorts, Inc.	Both	Agreement to Pay Overdue Lodger's Taxes	06/27/2012 Per Agreement	\$242,000	\$242,000	City of Santa Fe
City of Santa Fe County of SF & Stacy Community Property Trust	Both	County Wastewater Collection System Discharging into the City Wastewater System	06/27/2012 Per Agreement	Per Agreement	Per Agreement	City Of Santa Fe
City of Santa Fe County of SF & Stacy Community Property Trust	Both	Master Meter Installation in the City Water Distribution System	06/27/2012 Per Agreement	Per Agreement	Per Agreement	City Of Santa Fe

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF OTHER FINANCIAL ASSISTANCE
FISCAL YEAR ENDED
June 30, 2012
(UNAUDITED)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2011	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2012
N.M. HIGHWAY AND TRANSPORTATION DEPARTMENT					
Click It or Ticket FY10-11	4,950	4,437	4,437	-	-
Click It or Ticket FY 11-12	4,950	-	-	3,785	3,785
Operation Buckle Down FY 10-11	7,740	1,290	4,006	2,715	-
Operation Buckle Down FY 11-12	7,740	-	351	3,558	3,207
Operation DWI FY 10-11	43,680	7,239	7,674	435	-
Operation DWI FY 11-12	39,600	-	9,024	25,494	16,470
100 Days and Nights FY 10-11	8,415	183	7,736	7,563	-
100 Days and Nights FY 11-12	8,415	-	-	1,677	1,677
Pedestrian Safety Law Enforcement Blitzes FY 11-12	4,725	-	-	2,394	2,394
Statewide Expanded Operation DWI-Operation Descansos	19,333	9,427	14,873	5,446	-
Statewide Expanded Operation DWI-Operation Descansos	26,500	-	11,420	11,420	-
City Vehicle Seizure Program -VSP-FY 10-11	50,000	33,333	50,000	16,667	-
City Vehicle Seizure Program FY 11-12	150,000	-	57,283	86,808	9,545
Cerrillos Road Reconstruction	6,500,000	1,520,708	5,626,523	4,684,069	578,252
Small Drainage	264,814	-	73,200	207,567	134,367
improvements Bishops Lodge Rd.	150,000	-	142,834	142,834	-
Camino Rael River	151,352	-	87,511	87,511	-
Airport Improvements	19,200	240	240	-	-
Airport Improvements	101,800	13,787	-	-	13,787
Airport Improvements	3,947	834	1,888	1,113	278
Airport Improvements	450,000	3,426	7,580	4,662	498
Airport Improvements	313,500	-	245,317	251,865	6,538
Airport Improvements	181,900	-	137,977	163,981	26,004
Airport Improvements	71,084	54	65,616	65,716	154
Airport Improvements	15,000	-	-	12,077	12,077
TOTAL Highway and Transportation Department	\$ 8,608,446	\$ 1,694,967	\$ 8,555,261	\$ 5,769,317	\$ 809,013
N.M. DEPARTMENT OF TOURISM					
Creative Tourism	2,137	-	-	-	-
Beautification and Litter Control Program	33,300	14,961	31,255	27,389	11,095
TOTAL N.M. Department of Tourism	\$ 35,437	\$ 14,961	\$ 31,255	\$ 27,389	\$ 11,095

(continued)

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF OTHER FINANCIAL ASSISTANCE
FISCAL YEAR ENDED
June 30, 2012
(UNAUDITED)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2011	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2012
N.M. DEPARTMENT OF CULTURAL AFFAIRS					
Historical Preservation	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ 4,000
TOTAL Department of Cultural Affairs	\$ 4,000	\$ -	\$ -	\$ 4,000	\$ 4,000
N.M. ENERGY, MINERALS, NATURAL RESOURCES					
Fire Hazard Reduction Grants	\$ 150,000	\$ 76,565	\$ 137,820	\$ 132,022	\$ 70,767
Santa Fe River Trail	815,000	-	66,245	66,245	-
TOTAL Energy, Minerals, Natural Resources	\$ 965,000	\$ 76,565	\$ 204,065	\$ 198,267	\$ 70,767
STATE AGENCY ON AGING					
Senior Companion Program	\$ 123,534	\$ 9,509	\$ 126,293	\$ 123,634	\$ 6,750
Senior Employment Program	34,724	4,242	34,388	34,724	4,578
Foster Grandparent Program	117,576	4,818	103,884	117,676	18,710
Retired Senior Volunteer Program	34,845	3,820	38,465	34,845	-
HB-2- Nutrition	175,174	42,764	210,955	175,174	6,883
HB-2- In Home Support	128,484	11,321	136,094	128,484	3,711
HB-2- Assisted Transportation	37,148	-	34,238	37,148	2,910
State Area On Aging Capital Improvements	267,500	-	-	29,490	29,490
Mary Ester Gonzales Senior Center	128,467	-	-	40,917	40,917
Mary Ester Gonzales Senior Center	273,000	-	27,884	40,803	12,719
TOTAL State Agency on Aging	\$ 1,320,452	\$ 76,274	\$ 712,001	\$ 782,495	\$ 126,788
COUNTY OF SANTA FE					
Senior Program-County Grant	5,960	\$ -	\$ -	\$ 5,960	\$ 5,960
Southside Library	165,492	165,492	165,492	-	-
Santa Fe Paratransit	30,000	-	30,000	30,000	-
Arroyo Chimiso Trail	98,011	98,011	-	-	98,011
Trails and Bike Paths	205,000	75,868	198,679	122,811	-
Acequia Trails	115,678	102,282	102,282	-	-
Santa Fe River and Rail Trail	94,322	94,322	94,322	-	-
Santa Fe River and Rail Trail	4,899	-	4,899	4,899	-
Santa Fe Rail Yard-Park and Plaza	220,000	220,000	220,000	-	-
Santa Fe Rail Yard-Park and Plaza	200,000	200,000	200,000	-	-
TOTAL County of Santa Fe	\$ 1,131,402	\$ 953,875	\$ 1,015,674	\$ 157,710	\$ 98,011
SANTA FE PUBLIC SCHOOLS					
Crossing Guards Grant	\$ 178,576	\$ -	\$ 178,576	\$ 178,576	\$ -
TOTAL Santa Fe Public Schools	\$ 178,576	\$ -	\$ 178,576	\$ 178,576	\$ -

(continued)

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF OTHER FINANCIAL ASSISTANCE
FISCAL YEAR ENDED
June 30, 2012
(UNAUDITED)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2011	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2012
N.M. DEPARTMENT OF FINANCE AND ADMINISTRATION					
400th Anniversary License Plates	7,000	-	7,000	7,000	-
New Mexico State Library	41,925	-	-	-	-
La Familia	366,000	-	92,838	92,838	-
El Museo Cultural	222,750	91,872	91,872	-	-
Santa Fe River and Rail Trails	700,000	31,735	31,735	-	-
Genoveva Chavez Community Center	215,000	-	22,053	75,367	53,314
TOTAL Dept. of Finance and Administration	\$ 1,582,675	\$ 123,407	\$ 245,298	\$ 175,205	\$ 53,314
NM FINANCE AUTHORITY					
NMFA 2382 ADW	\$ 702,590	\$ 67,028	\$ 67,028	\$ -	-
NMFA 170-WTB	4,000,000	2,000,000	2,000,000	-	-
NMFA 171-WTB	1,324,480	183,531	311,140	202,755	75,146
NMFA 203-WTB	1,500,000	-	-	98,383	98,383
NMFA 2392-DW	320,138	132,602	-	148,135	280,737
TOTAL NM Mortgage Finance Authority	\$ 7,847,188	\$ 2,383,159	\$ 2,378,168	\$ 449,273	\$ 454,266
NM ARTS COMMISSION					
Community Gallery FY09-10	\$ 1,712	\$ -	\$ -	\$ -	-
Community Gallery FY10-11	\$ 7,940	\$ -	\$ 4,440	\$ 11,234	\$ 6,794
TOTAL NM Arts Commission	\$ 9,652	\$ -	\$ 4,440	\$ 11,234	\$ 6,794
OTHER					
New Mexico State University-National Diabetes Program	\$ 11,445	\$ -	\$ 11,445	\$ 11,445	\$ -
TOTAL Other	\$ -	\$ -	\$ -	\$ -	\$ -
GRAND TOTAL	\$ 22,203,128	\$ 6,223,298	\$ 11,325,736	\$ 7,734,468	\$ 1,632,028

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CITY OF SANTA FE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FISCAL YEAR ENDED
 June 30, 2012

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, 2011	CY Cash Receipts Recognized	Revenue Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2012
Primary Government							
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
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	\$ 30,908	\$ 30,908	\$ 0	\$ -
Community Develop Block Grant	14 218	B10MC350003	625,163	328,443	925,163	295,720	-
Community Develop Block Grant	14 218	B11MC350003	524,976	-	152,972	237,616	84,544
Neighborhood Stabilization Program	14 218	08-0290	30,697	72,680	96,793	27,923	3,810
Total CDBG-Entitlement and (HUD-Administered) Small Cities Cluster			1,762,444	432,031	605,856	562,259	88,454
Shelter Plus Care Grants							
Shelter Plus	14 238	NM0055C6B011003	189,684	-	116,833	141,536	24,703
Shelter Plus	14 238	NM0034C6B011003	235,164	-	200,766	234,286	33,520
Shelter Plus	14 238	NM0029C6B011003	134,484	-	122,653	133,800	11,147
Shelter Plus	14 238	NM0028C6B011003	234,760	-	192,265	221,351	29,066
Shelter Plus	14 238	NM02C6-01-008	110,835	9,050	33,201	28,241	-
Shelter Plus	14 238	NM29C6B010802	133,500	11,605	11,605	-	-
Shelter Plus	14 238	NM0034C6B010602	233,412	22,154	22,154	-	-
Shelter Plus	14 238	NM0026C6B010802	223,080	25,661	25,661	-	-
Shelter Plus	14 238	NM02C7-01-001	306,660	4,076	62,412	65,899	7,553
Shelter Plus	14 238	NM0046C6B010900	324,360	2,115	47,435	48,451	4,131
Shelter Plus	14 238	NM0048C6B010900	60,780	687	10,507	12,891	1,011
Total Shelter Plus Care Grants			2,176,719	75,348	645,592	881,385	111,151
Department of Housing and Urban Development			\$ 3,939,163	\$ 507,379	\$ 1,751,418	\$ 1,443,644	\$ 199,605
DEPARTMENT OF INTERIOR							
National Park Service							
Passed through NM State Historic Preservation:							
Historic Preservation	15 904	35-06-21534.08	\$ 1,872	\$ 1,672	\$ 1,672	\$ -	\$ -
Prince Park		R7700107019	16,876	-	-	16,876	16,876
Department of Interior			\$ 18,548	\$ 1,672	\$ 1,672	\$ 16,876	\$ 16,876
US DEPARTMENT OF JUSTICE							
Passed-through NM Children Youth and Families:							
Juvenile Justice - Continuum 10/11	16 523	11-690-12430	25,000	24,443	24,443	-	-
Juvenile Justice - Continuum 10/11	16 523	11-690-12431	233,031	96,903	323,125	255,303	32,081
Total passed-through NM Children Youth and Families			258,031	121,346	347,568	255,303	32,081
Passed-through NM Crime Victims Reparation Commission							
Recovery of STOP Violence Against Women Grant	16 806	2008-WF-AX-0018	31,322	197	197	-	-
Total passed-through NM Crime Victims Reparation Commission			31,322	197	197	-	-
Domestic Violence and Sexual Assault Probation Officers							
	18 580	2009-WE-AX-0046	600,000	62,224	62,224	121,440	121,440
			600,000	62,224	62,224	121,440	121,440
US Department of Justice			\$ 1,121,648	\$ 185,767	\$ 409,989	\$ 277,743	\$ 153,521
DEPARTMENT OF TRANSPORTATION							
Federal Aviation Administration Direct Program:							
Airport Improvement Grant #34	20 106	AIP 3-05-0037-034-2010	480,000	132,256	243,975	175,056	63,369
Airport Improvement Grant #35	20 106	AIP 3-05-0037-035-2010	106,400	91,709	83,419	42,280	10,570
Airport Improvement Grant #36	20 106	AIP 3-05-0037-036-2010	2,701,167	-	2,497,684	2,499,263	1,579
Total Federal Aviation Administration Direct Program:			3,287,567	163,965	2,805,078	2,716,639	75,518
Department of Transportation Direct Program:							
Section 5316 (JARC)	20 516	NM90X100	362,026	169,462	298,270	193,161	80,373
Section 5316 (JARC)	20 516	NM37X022	8,949	8,949	6,949	-	-
Section 5316 (JARC)	20 516	NM90X093	65,000	65,000	65,000	-	-
Section 5316 (JARC)	20 516	NM90X086	142,592	38,046	38,046	-	-
Total Department of Transportation Direct Program:			579,167	261,457	408,265	199,161	80,373
Passed-through NM Highway and Transportation Department:							
Highway and Planning Cluster:							
Section 112	20 505		-	61,921	218,614	240,529	83,636
Total Highway and Planning Cluster:			-	61,921	218,614	240,529	83,636
Section 5303 09/10	20 505	MOA # MOD461	34,889	12,202	21,476	10,435	1,161
			34,889	12,202	21,476	10,435	1,161
Federal Transit Cluster:							
Ridefinders 10/11	20 507	TPC-7749(9)	67,653	24,978	60,059	65,579	22,458
Section 5309	20 500	NM58X004	700,000	639,915	640,170	255	-
Section 5309	20 500	NM04X006	264,000	-	2,126	2,126	-
2 2	20 507	NM00X075	1,115,859	161,406	151,406	-	-
Section 5307 - Operating	20 507	NM030045	4,016	-	-	4,016	4,016
Section 5307 - Operating	20 507	NM00X101	1,335,413	1,322,060	1,325,486	13,354	3,928
Section 5307 - Operating	20 507	NM03-0056	111,840	-	58,030	89,038	-
Section 5307 - Operating	20 507	NM90X106	1,300,335	-	-	1,300,336	1,300,336
Total Federal Transit Cluster:			4,620,116	2,128,359	2,245,325	1,443,704	1,336,736
Total Department of Transportation passed-through:			\$ 2,964,005	\$ 2,212,482	\$ 2,485,415	\$ 1,694,668	\$ 1,421,736
Department of Transportation			\$ 8,800,769	\$ 2,645,904	\$ 5,698,768	\$ 4,610,480	\$ 1,657,626

(continued)

(continued)

CITY OF SANTA FE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FISCAL YEAR ENDED
 June 30, 2012

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, 2011	CY Cash Receipts Recognized	Revenue Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2012
US DEPARTMENT OF ARMY CORPS OF ENGINEERS							
US Department of Army Corps of Engineers	81 103	DE-FG52-09NA29532	524,000	482,520	571,305	88,785	-
US Department of Army Corps of Engineers			\$ 524,000	\$ 482,520	\$ 571,305	\$ 88,785	\$ -
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Passed-through NM State Agency on Aging/NCNMEOD:							
Aging Cluster:							
Title III-B	33 044	2009-10-60026	108,869	4,496	106,424	137,891	38,563
Title III-C-1	93 045	2009-10-60028	72,498	14,377	88,875	72,498	-
Title III-C-2	93 045	2009-10-60028	21,199	10,592	38,382	31,189	2,429
NSIP	93 053	2009-10-60026	141,955	3,206	145,161	141,955	-
Title III-E	88 052	2009-10-60026	71,340	14,183	89,252	76,340	1,271
Total Aging Cluster			425,661	46,854	466,074	459,883	40,763
Passed-through Mid Region Council of Governments:							
Temporary Assistance to Needy Families							
Total Mid Region Council of Governments	93 668	TANF 2009-10	50,000	-	-	-	52,357
			50,000	-	-	-	-
Department of Health and Human Services			\$ 475,661	\$ 46,854	\$ 466,074	\$ 459,883	\$ 40,763
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE							
Passed-through NM State Agency on Aging/NCNMEOD:							
Foster Grandparent Program							
Retired Senior Volunteer Program	94 011	10-624-4000-0024	25,868	10,147	25,465	25,868	10,560
	94 002	10-624-4000-0065	21,884	23,343	45,027	21,884	-
Total Passed-through NM State Agency on Aging:			\$ 47,552	\$ 33,490	\$ 70,492	\$ 47,552	\$ 10,560
Corporation for National and Community Service			\$ 47,552	\$ 33,490	\$ 70,492	\$ 47,552	\$ 10,560
US DEPARTMENT OF HOMELAND SECURITY							
Emergency Management Performance	97 042	2010-EP-EO-0022	32,425	8,649	16,465	8,806	-
Emergency Management Performance	97 042	EMW-2011-EP-00051	83,136	-	-	-	-
Emergency Management Performance	97 067	2009-S5-T9-000030	321,360	8,908	8,804	2,898	-
Emergency Management Performance	97 067	2010-SS-T0-0011	219,800	31,463	141,058	114,468	4,870
Emergency Management Performance	97 067	EMW-2011-S5-00084-50	151,124	-	-	55,502	55,502
US Department of Homeland Security			\$ 787,845	\$ 48,018	\$ 165,117	\$ 179,472	\$ 69,372
AMERICAN RECOVERY AND REINVESTMENT ACT GRANTS (ARRA)							
ARRA - Energy Efficiency Buildings - Administered by State of NM	81 128	DE-SC00002036	248,782	-	242,582	242,582	-
ARRA - Energy Efficiency & Conservation Block Grant Program	81 128	DE-EE0000681	3,705	590	4,205	3,705	-
ARRA - Pavement Resurfacing	20 208	ECO-4728(2)	2,222,072	50,040	50,040	59,966	69,666
ARRA - Section 5309	81 041	DE-ES0000108	158,234	-	158,234	158,234	-
ARRA - Section 5309	81 041	NM-96-X053	797,862	-	-	101,730	101,730
ARRA - Copc Hiring Recovery Program	18 710	2009-KRWX0642	1,479,328	52,152	302,548	474,301	262,945
American Recovery and Reinvestment Act Grants (ARRA)			\$ 4,906,953	\$ 142,822	\$ 756,899	\$ 1,040,118	\$ 424,241
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 21,065,019	\$ 4,092,426	\$ 9,883,514	\$ 8,264,183	\$ 2,463,065

CITY OF SANTA FE, NEW MEXICO
 NOTES TO SUPPLEMENTAL SCHEDULE OF
 EXPENDITURES OF FEDERAL AWARDS
 JUNE 30, 2012

General

The following is a reconciliation of the total Federal Awards of the City of Santa Fe for the year ended June 30, 2012:

City of Santa Fe Federal Expenditures as reported on page 212:	\$ 8,264,153
Total Federal Expenditures of the Primary Government	\$ 8,264,153

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>
U.S. Department of Housing and Urban Development		
Special Revenue Funds		
Community Development Grants		
Community Development Block Grants	14.218	\$ 562,259
Shelter Plus	14.238	141,536
Shelter Plus	14.238	234,286
Shelter Plus	14.238	133,800
Shelter Plus	14.238	221,351
Shelter Plus	14.238	24,241
Shelter Plus	14.238	65,889
Shelter Plus	14.238	49,451
Shelter Plus	14.238	10,831
U.S. Department of Interior		
Special Revenue Funds		
National Park Grants		
Prince Park	15.904	16,876
U.S. Department of Justice		
Special Revenue Grants		
Law Enforcement Grants		
Juvenile Justice - Continuum	16.523	256,303
Domestic Violence and Sexual Assault Probation	16.580	121,440
U.S. Department of Transportation		
Enterprise Fund - Airport		
Airport Improvement Grants		
Airport Improvement	20.106	2,716,631
Enterprise Fund - Transit Bus System		
Welfare to Work (JARC)	20.516	199,181

CITY OF SANTA FE, NEW MEXICO
NOTES TO SUPPLEMENTAL SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2012

Special Revenue Fund		
Transportation Grants		
Section 112	20.205	240,529
Section 5303	20.505	10,435
Ridefinders	20.507	65,579
Section 5309	20.500	2,381
Section 5307 - Operating	20.507	1,375,744
U.S. Department of Army Corps of Engineers		
Enterprise Fund - Water Division		
Water Division Grants		
US Dept. of Army Corps of Engineers	81.108	88,785
U.S. Department of Health and Human Services		
Special Revenue Funds		
Senior Citizens Grants		
Title III B	93.044	137,491
Title III C-1	93.045	72,498
Title III C-2	93.045	31,199
NSIP	93.053	141,955
Title III E	93.052	76,340
Corporation for National and Community Service		
Special Revenue Funds		
Senior Citizens Grants		
Foster Grandparent Program	94.002	25,868
Retired Senior Volunteer Program	94.002	21,684
U.S. Department of Homeland Security		
Special Revenue Funds		
Emergency Management Grants		
Emergency Management Performance	97.042	6,806
Emergency Management Performance	97.067	172,668
AMERICAN RECOVERY AND REINVESTMENT ACT GRANTS (ARRA)		
Special Revenue Funds		
ARRA - Energy Efficiency Buildings - Administered by	81.128	242,582
ARRA - Energy Efficiency & Conservation Block Grant	81.128	3,705
ARRA - Pavement Resurfacing	20.208	59,566
ARRA - Section 5309	81.041	259,964
ARRA - Cops Hiring Recovery Program	16.710	474,301
		<u>8,264,153</u>
	TOTAL	<u>\$ 8,264,153</u>



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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**

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the City of Santa Fe, as of and for the year ended June 30, 2012, and have issued our report thereon dated February 19, 2013. 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

Management of the City of Santa Fe is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Santa Fe'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 of Santa Fe's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Santa Fe'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 control such that there is a reasonable possibility that a material misstatement of the City of Santa Fe's financial statements will not be prevented, or detected and corrected on a timely basis.

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 significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies and can be referenced as findings 06-05, 11-01, 12-03, and 12-04.

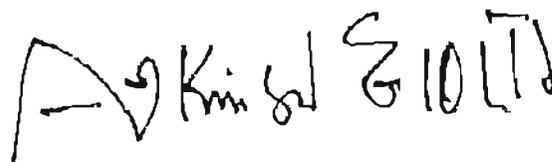
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Santa Fe'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as finding 11-04.

We also noted certain other matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 06-06, 12-01, and 12-02.

The City of Santa Fe'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 of Santa Fe's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the City Council, others within the City of Santa Fe, Department of Finance and Administration, the State Auditor, the New Mexico Legislature, and applicable federal grantors 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
February 19, 2013

**INDEPENDENT AUDITOR'S 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**

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

Compliance

We have audited the City of Santa Fe's 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 of Santa Fe's major federal programs for the year ended June 30, 2012. The City of Santa Fe'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 of Santa Fe's management. Our responsibility is to express an opinion on the City of Santa Fe'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 City of Santa Fe'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 of the City of Santa Fe's compliance with those requirements.

In our opinion, the City of Santa Fe 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, 2012. 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 11-04, 11-06, 12-03, and 12-04.

Internal Control over Compliance

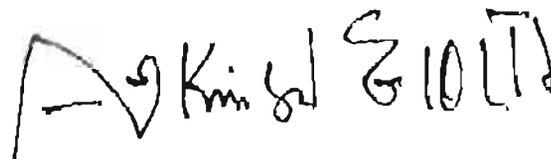
Management of the City of Santa Fe is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Santa Fe's internal 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 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 of Santa Fe'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 certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 06-05, 11-01, 11-06, 12-03, and 12-04. *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 of Santa Fe'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 of Santa Fe's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the City Council, others within the City of Santa Fe, the State Auditor, the New Mexico Legislature, and applicable federal grantors 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
February 19, 2013

City of Santa Fe

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2012

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>
14.218	CDBG – Entitlement and Grants Cluster
14.238	Shelter Plus Care
16.710	Public Safety Partnership and Community Policing Grants
20.507	Federal Transit Cluster – Formula Grants
81.041	Section 5309
81.128	Energy Efficiency and Conservation Block Grant
93.various	Aging Cluster (93.044, 93.045, 93.053)

Dollar threshold used to distinguish between type A and type B programs: \$300,000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

I. Summary of Audit Results – Continued

Auditee qualified as low-risk auditee? No

II. Findings – Findings and Questioned Costs – Major Federal Award Programs Audit

	<u>Questioned Costs</u>
CDBG – Entitlement and Grants Cluster	None
Shelter Plus Care	None
Public Safety Partnership and Community Policing Grants	None
Federal Transit Cluster – Formula Grants	None
Energy Efficiency and Conservation Block Grant	None
Aging Cluster	None

III. Status of Prior Audit Findings

06-05 Due Date of Audit Report	Repeated and Modified
06-06 Budget Overages	Repeated and Modified
08-04 IT Policies and Procedures	Cleared
11-01 Improper Cutoff	Repeated and Modified
11-02 Capital Asset Inventory Observation	Cleared
11-03 Federal Grant Reporting	Cleared
11-04 Federal Grant Cost Principles (Time Certification)	Repeated and Modified
11-05 Federal Grant Monitoring	Cleared
11-06 Federal Grant Procurement	Repeated and Modified

IV. Current Audit Findings

Financial Statement Findings Required by *Government Auditing Standards*

- 06-05 Due Date of Audit Report (Repeated and Modified) (Significant Deficiency)
- 11-01 Improper Cutoff (Repeated and Modified) (Significant Deficiency)

Findings in Accordance with 2.2.2. NMAC

- 06-06 Budgetary Compliance (Repeated and Modified) (Non-Compliance)
- 12-01 Professional Services Procurement (Non-Compliance)
- 12-02 Purchase Order Authorizations (Non-Compliance)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

IV. Current Audit Findings - Continued

Findings in Accordance with OMB Circular A-133

- 11-04 Federal Grant Cost Principles (Time Certification) – COPS Hiring Recovery Program 16.710 and Aging Cluster (Repeated and Modified) (Non-Compliance)
- 11-06 Federal Grant Procurement – Energy Efficiency and Conservation Block Grant Program 81.128 and Community Development Block Grants/Entitlement Grants 14.218 (Repeated and Modified) (Significant Deficiency)
- 12-03 Federal Grant Cash Management – Energy Efficiency and Conservation Block Grant Program 81.128 and Public Safety Partnership and Community Policing Grants 16.710 (Significant Deficiency)
- 12-04 Data Collection Form Submission – All Federal Awards (Significant Deficiency)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED

FINANCIAL STATEMENT FINDING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

06-05 DUE DATE OF AUDIT REPORT (SIGNIFICANT DEFICIENCY)

Condition:

The June 30, 2012 audit report was NOT filed with the State Auditor by the statutory deadline. The report was not submitted until March 5, 2013.

Criteria:

According to the State Auditor rule NMAC 2.2.2.9.A, the audited financial statements are due by December 1 following the fiscal year-end which would be December 1, 2012 for the year under audit. A stated goal for the City, the finance department, the audit committee and governing officials was to continue to improve its timing for completion of the CAFR so as to file on time for FY12.

Effect:

The City is not in compliance with State Auditor Rule NMAC 2.2.2.9A for the fiscal year ended June 30, 2012. 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:

Certain planning, single audit, debt, leases, and other test work were not completed before the main fieldwork start date of October 2012. Reconciliation related to accounts receivable and capital assets required additional time to complete and additional time to make correcting entries. There was a significant delay in providing the auditors with information to test capital assets, including significant time to reconcile and provide an accurate detail of construction in progress activity. The Senior Manager on the engagement left the audit firm in mid-December affecting the final completion date. Milestone scheduling and timing objectives were not fully utilized as an engagement control device.

Recommendation:

Based on the stated causes the following plan is offered by the City of Santa Fe Finance Department in discussion with external auditors

1. A master milestone schedule will be drafted which will outline the significant steps and timing for major engagement tasks. External auditors and the finance department will have input into the milestone schedule content. Tasks and responsibilities for auditors and City financial staff will be specified.
2. Initial steps of the master milestone schedule include engagement planning, and single audit test work, internal control update documentation, new debt issued or refinanced, significant ordinances relevant to FY13 and other significant initiatives and transactions. Initial tasks could begin in June 2013 and continue into July.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

**FINANCIAL STATEMENT FINDING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
- CONTINUED**

06-05 DUE DATE OF AUDIT REPORT (SIGNIFICANT DEFICIENCY) - CONTINUED

3. Reconciliation of the most significant areas, cash, accounts receivable, capital assets, accounts payable and payroll will have target reconciliation dates that are agreed to by external auditors and City finance staff.
4. The master milestone schedule will be monitored by the internal auditor and audit committee.
5. Items slowing down the completion process shall be identified at periodic stages for their consideration by City staff and the internal auditor for their solution and insight that might be gained about operations. Email reporting of pending items will be performed and progress meetings will occur every two weeks or upon request.
6. The financial statements shall be prepared by the external auditor which represents a transfer of significant work to the external auditor from the finance department which should relieve the magnitude of tasks facing the finance department in a concentrated time period after year end.
7. All participants and users of the audit agree that December 1, 2013 will be the latest date for filing the audit.

Views of Responsible Officials and Planned Corrective Action:

While the City of Santa Fe finance staff made every effort to accomplish getting the Audit in on time, staff managed to turn in the audit at about the same time as they did last year. Staff still must work with the external auditor on procedures and processes for audit data gathering and completion. The City of Santa Fe finance staff accepts and will follow the detailed recommendations of the external auditor in relation to this finding including having the external auditor complete the financials and having the internal auditor monitor the progress.

Point of Contact:

Dr. Melville L. Morgan, Finance Director
Teresita Garcia, Assistant Finance Director

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

**FINANCIAL STATEMENT FINDING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*
- CONTINUED**

11-01 IMPROPER CUTOFF (SIGNIFICANT DEFICIENCY)

Condition:

During our audit we noted multiple instances in which transactions related to periods other than fiscal year 2012 were recorded. Four cost additions totaling \$85,297 for projects in the general fund were recorded during fiscal year 2012; however, the costs were actually incurred during fiscal year 2011.

Criteria:

U.S. generally accepted accounting principles (GAAP) applicable to governmental entities specify that expenses should be recognized when obligations are incurred, usually when goods are transferred or services are rendered.

Cause:

The capital assets were recorded in the incorrect time period due to deficiencies in the cash disbursement approval process.

Effect:

Beginning capital assets were understated.

Recommendation:

We recommend that management re-evaluate the processes of transaction recording and review to ensure that transactions are being recorded in the proper period in accordance with GAAP.

Views of Responsible Officials and Planned Corrective Action:

The City finance staff will continue to train and work diligently with departments to reduce these instances and will continue to do so.

Point of Contact:

Dr. Melville L. Morgan, Finance Director
Teresita Garcia, Assistant Finance Director
Robert Rodarte, Purchasing Director
Public Work Department (CIP)

City of Santa Fe

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC

06-06 BUDGETARY COMPLIANCE (NON-COMPLIANCE)

Condition:

During our testwork over budgetary compliance for the year ended June 30, 2012, we noted the following budget overages for the City.

Reporting Unit	Budgetary Level	Final Budget	Actual Amount	Overage Amount
CIP Reallocation fund–expenditures	Fund Level	-	7,031	7,031
Union Sick Leave Bank–operating expenses	Division Level	-	114,952	114,952
Santa Fe Health/Dental	Division Level	18,112,012	18,780,288	668,706

In addition, there were funds that had budgeted expenditures exceed budgeted revenues, transfers and beginning fund balance. The following special revenue funds were non-compliant: Capital Equipment Reserve Fund budgeted shortfall was \$1,334; Economic Development Fund budgeted shortfall was \$343,702; Environmental Services Fund budgeted shortfall was \$13,219; City Drainage Projects Fund budgeted shortfall was \$193,732; NEA Grants Fund budgeted shortfall was \$1. The capital projects funds that were non-compliant: Special Projects Fund budgeted shortfall was \$401,705; City Parks Improvements budgeted shortfall was \$379,809. The enterprise funds that were non-compliant: Municipal Recreation Complex budgeted shortfall was \$383,692; Solid Waste Management budgeted shortfall was \$1,293,291.

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. Proprietary fund budgets prepared in accordance with GAAP should consist of all items of expense, including depreciation.

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:

Adjustments of budgeted and actual expenditures were not completed during the year for certain funds. Depreciation was not budgeted in proprietary funds, causing some to exceed budgeted operating expenses.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC - CONTINUED

06-06 BUDGETARY COMPLIANCE (NON-COMPLIANCE) - CONTINUED

Recommendation:

Management should update policies and procedures that specifically include reviews that compare actual to budget expenditures, including a review of budgeted revenues, expenditures, and fund balance. Depreciation should be budgeted for in proprietary funds in accordance with the City policy of preparing GAAP-based budgets.

Views of Responsible Officials and Planned Corrective Action:

Budget overages were reduced to 2 from the 2011 number of 12. The City will continue to implement controls, processes, and procedures to both reduce and eliminate this finding. The City will continue to review budgets in light of revenue, expenditures, and fund balances.

Point of Contact:

Dr. Melville L. Morgan, Finance Director
Cal Probasco, Budget Director

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133

**11-04 FEDERAL GRANT COST PRINCIPLES (TIME CERTIFICATION)
(NON-COMPLIANCE)**

Funding Agency: U.S. Department of Justice

Title: Public Safety Partnership and Community Policing Grants (Cops Hiring Recovery Program)

CFDA Number: 16.710

Award Period: 7-1-2009 to 6-30-2012

Funding Agency: U.S. Department of Health and Human Services

Title: Aging Cluster

CFDA Number: 93.044, 93.045, 93.053

Award Period: 7-1-2011 to 6-30-2012

Condition:

For all applicable items tested for compliance with cost principle requirements with respect to the Federal American Recovery and Reinvestment Act grant used to fund the Cops Hiring Recovery program, and the US Department of Health and Human Services grants funding the Aging Cluster, we identified a lack of time certification. The City did not require certifications signed by the employee or their respective supervisors certifying that each employee worked solely on this program for those instances where employees were dedicated to a particular federal program.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133 - CONTINUED

**11-04 FEDERAL GRANT COST PRINCIPLES (TIME CERTIFICATION)
(NON-COMPLIANCE) - CONTINUED**

Criteria:

According to OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications are to be prepared at least semi-annually and signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

Effect:

Without approved certifications, the City could not substantiate whether the employee was charged appropriately to the correct grant and there is an increased possibility the program will not be able to continue to receive funding if compliance requirements are not met.

Cause:

The City believes that time sheets are sufficient for time certification as 100% of the employee's time relates to the grant. As such, they do not believe time certifications are necessary; however, the cost circular specifically requires time certifications to be completed and kept on file.

Questioned Costs: None

Recommendation:

Program management should establish a policy that requires all employees working under federal programs to certify their time worked related to the applicable program on a semi-annual basis.

Views of Responsible Officials and Planned Corrective Action:

The City of Santa Fe will continue to require time and attendance logs for employees. To ensure compliance with all grants, the finance department will continue to work with departments to have employees certify and document by signature that their time was attributed to a specific grant.

Point of Contact:

Dr. Melville L. Morgan, Finance Director
Teresita Garcia, Assistant Finance Director
Police Department
Community Department (Seniors)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133 - CONTINUED

11-06 FEDERAL GRANT PROCUREMENT (SIGNIFICANT DEFICIENCY)

Funding Agency: U.S. Department of Energy
Title: Energy Efficiency and Conservation Block Grant
CFDA Number: 81.128
Award Period: 10-13-2009 to 10-12-2012

Funding Agency: U.S. Department of Housing and Urban Development
Title: CDBG – Entitlement and Grants Cluster
CFDA Number: 14.218
Award Period: 7-1-2011 to 6-30-2012

Condition:

For 9 of 10 transactions tested for procurement requirements with respect to the Community Development Block Grant, and the Federal American Recovery and Reinvestment Act grant used to fund the Energy Efficiency Program we identified a lack of verification that contracted parties are not excluded, suspended, or debarred in accordance with the Excluded Parties List System (EPLS). We tested two vendors that were contracted with by the program to provide materials and services in excess of \$25,000 (covered transactions) and identified that no documentation was retained to show verification to ensure the vendors were not included, excluded, suspended, or debarred.

Criteria:

According to OMB Circular A-133 Compliance Supplement, when a non-federal enters into a covered transaction with another entity, the first entity must verify the second entity is not excluded, suspended or debarred. This verification can be completed through one of three methods, including such documentation in the agreement or contract entered into with the entity, by checking the EPLS at <https://www.epls.gov/>, or by receiving a certification from the entity.

Effect:

If verification is not completed or documented there is an increased possibility that the program is entering into transactions with an excluded, suspended, or debarred entity which could lead to loss of funding.

Cause:

Program managers are not retaining documentation to evidence that the required verification was performed.

Questioned Costs: None

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133 - CONTINUED

11-06 FEDERAL GRANT PROCUREMENT (SIGNIFICANT DEFICIENCY) - CONTINUED

Recommendation:

Program management should establish a step in the procurement process that requires verification of the entity they intend to contract with against the EPLS and include such documentation in the procurement file.

Views of Responsible Officials and Planned Corrective Action:

The City has established and will monitor more closely the procedures for grant approval/procurement processes that ensures verification of the entity they intend to contract with against the EPLS and include such documentation in the procurement file.

Point of Contact:

Dr. Melville L. Morgan, Finance Director
Teresita Garcia, Assistant Finance Director
Robert Rodarte, Purchasing Director
Housing and Community Development Department
Police Department

CURRENT YEAR FINDINGS

FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC

12-01 PROFESSIONAL SERVICES PROCUREMENT (NON-COMPLIANCE)

Condition:

The City of Santa Fe expended \$17,634 in March and June of 2012 principally for paramedic training with the Santa Fe Community College in FY 12. The paramedic training graduation certificates for the specific individuals were granted for one individual in 2009, five individuals in 2010, and one individual in 2011. The invoices for the training program used to support the expenditures for the same individuals were dated in 2008 and 2009. There was not a clear demonstration of costs of these programs, the periods that they pertained to and certain costs of these programs were paid after the fact up to two years after the trainings were completed based on the documentation that we saw.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

CURRENT YEAR FINDINGS - CONTINUED

FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC - CONTINUED

12-01 PROFESSIONAL SERVICES PROCUREMENT (NON-COMPLIANCE) - CONTINUED

Criteria:

According to the City of Santa Fe Procurement Code section 24, Procurement of Professional Services Under \$30,000, professional service agreements are required for all training when a contractor is hired to do specific training for the governing body or City employees. Additionally, City Manager approval is required for all professional service agreements between \$5,000 and \$30,000. The required professional services agreement should include documentation which defines the scope of the services to be performed as well as the costs of the services to be provided. It does not appear that proper documentation was obtained for these training services.

Cause:

The City Fire Department has represented that it had trouble getting a correct billing from the Santa Fe Community College for an extended period of time.

Effect:

Documentation in connection with this training program did not fully support the costs and time periods of the program creating a departure from procurement standards and an increased possibility of inappropriate expenditures.

Recommendation:

We recommend that the procurement of future training programs with this entity adhere to the requirements of section 24 of the City Procurement Code for trainings to remove uncertainty from the cost and time period of professional services obtained.

Views of Responsible Officials and Planned Corrective Action:

All departments within the City of Santa Fe will adhere to section 24 of the procurement code such that uncertainty related to the cost and time period of professional services is clearly documented.

Point of contact:

Dr. Melville L. Morgan, Finance Director
Teresita Garcia, Assistant Finance Director
Robert Rodarte, Purchasing Officer
Fire Department

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

CURRENT YEAR FINDINGS - CONTINUED

FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC - CONTINUED

12-02 PURCHASE ORDER AUTHORIZATIONS (NON-COMPLIANCE)

Condition:

In connection with review of the Auto X training class conducted by the City Fire Department, we reviewed certain invoices and purchased orders for training class disbursements. In 2 out of 3 items tested totaling approximately \$12,000, the request date of the purchase order was after the class dates of September 27-30, 2012. The disbursements appeared reasonable and necessary.

Criteria:

City of Santa Fe procurement code specifies that a purchase order is required before the service or product is acquired for control and authorization purposes.

Cause:

The City Fire Department did not initiate the purchase order process at the proper time.

Effect:

The two disbursements are out of compliance with City of Santa Fe procurement policy. The protections of the purchase order control procedure were not applied before the incurring of expenditure which increases the possibility of an inappropriate expenditure.

Recommendation:

It is reemphasized that Purchase orders should be obtained in advance for all department activity. This should be monitored by Fire Department management, the purchasing department, and other responsible officials.

Views of Responsible Officials and Planned Corrective Action:

The finance department will reemphasize and repeat that all purchase orders must be obtained in advance of any departmental activity. This will be monitored through the specific departments, the purchasing department, and other responsible officials.

Point of Contact:

Dr. Melville L. Morgan, Finance Director
Teresita Garcia, Assistant Finance Director
Robert Rodarte, Purchasing Officer
Fire Department

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

CURRENT YEAR FINDINGS - CONTINUED

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133

12-03 FEDERAL GRANT CASH MANAGEMENT (SIGNIFICANT DEFICIENCY)

Funding Agency: U.S. Department of Energy
Title: Energy Efficiency and Conservation Block Grant
CFDA Number: 81.128
Award Period: 10-13-2009 to 10-12-2012

Funding Agency: U.S. Department of Justice
Title: Public Safety Partnership and Community Policing Grants
CFDA Number: 16.710
Award Period: 7-1-2009 to 6-30-2012

Condition:

For 4 of 4 transactions tested for procurement requirements with respect to the Federal American Recovery and Reinvestment Act grant used to fund the Energy Efficiency Program and the Public Safety Partnership and Community Policing Program, we identified that there are no review or approval procedures in place for the reimbursement request process.

Criteria:

According to OMB Circular A-133 Compliance Supplement, the individual State/local departments or agencies are responsible for the performance or administration of Federal awards. It is the responsibility of the local government to be sure that there are procedures in place to ensure the accuracy and validity of reimbursement requests.

Effect:

Noncompliance with cash management requirements may occur and not be detected and corrected in a timely manner.

Cause:

Management has not established appropriate internal controls over cash management.

Questioned Costs: None

Recommendation:

Program management should establish a policy that requires all reimbursement requests to be reviewed and approved by an individual working in the program other than the individual who submits the reimbursement request.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

CURRENT YEAR FINDINGS - CONTINUED

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133 - CONTINUED

12-03 FEDERAL GRANT CASH MANAGEMENT (SIGNIFICANT DEFICIENCY) - CONTINUED

Views of Responsible Officials and Planned Corrective Action:

The finance department will reemphasize and repeat the policy that requires all reimbursement requests to be reviewed and approved by at least one individual working in the program, other than the individual who submits the reimbursement request, that all purchase orders must be obtained in advance of any departmental activity. This will be monitored through the specific departments, the purchasing department, and other responsible officials. Currently, the responsible staff creates and approves the documentation, provides that documentation to the appropriate financial analyst and that analyst provides then information to the finance department director.

Point of Contact:

Dr. Melville L. Morgan, Finance Director
Mrs. Teresita Garcia, Assistant Finance Director
Robert Rodarte, Purchasing Officer
Housing and Community Development Department
Police Department

12-04 DATA COLLECTION FORM SUBMISSION (SIGNIFICANT DEFICIENCY)

Funding Agency: All Funding Agencies

Title: All Federal Award Programs

CFDA Number: All CFDA Numbers

Condition:

The fiscal year 2011 data collection form was submitted to the Federal Audit Clearinghouse (FAC) on April 9, 2012, after the required deadline of March 31, 2012, nine months after the fiscal year-end.

Criteria:

OMB Circular A-133 section 320(a) requires the data collection form to be submitted within the earlier of 30 days after receipt of the auditor's report(s) or nine months after the end of the audit period.

Effect:

The City did not meet the filing deadline due to lack of compliance with filing requirements.

Cause:

Unknown

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

CURRENT YEAR FINDINGS - CONTINUED

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133 - CONTINUED

**12-04 DATA COLLECTION FORM SUBMISSION (SIGNIFICANT DEFICIENCY) -
CONTINUED**

Questioned Costs: None

Recommendation:

We recommend that the City monitor the submission process to ensure that the data collection form is prepared and submitted timely. This recommendation must be implemented in conjunction with the timely completion of the financial statements and required annual audit.

Views of Responsible Officials and Planned Corrective Action:

The finance department makes every effort to complete the required reports on time; however, this report was filed as soon as the State Auditor released the audit report. We will try to file the report before March 31, 2013.

Point of Contact:

Dr. Melville L. Morgan, Finance Director
Teresita Garcia, Assistant Finance Director

City of Santa Fe

EXIT CONFERENCE

For the year ended June 30, 2012

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An exit conference was held on February 11, 2013, to discuss the audit. The following individuals were in attendance:

City of Santa Fe

Bill Dimas	City Councilor
Dr. Melville L. Morgan	Finance Director
Teresita Garcia	Assistant Finance Director
Robert Romero	City Manager
Erica Martinez	Senior Financial Analyst
Randy Randall	Audit Committee Member
Hazeldine Romero	Audit Committee Member
Liza Kerr	Internal Auditor

Independent Auditor

Martin Mathisen, CPA, CGFM	Audit Director
Sarah Brack, CPA, CGMA	Audit Senior

