

# **City of Santa Fe, New Mexico**

## **Comprehensive Annual Financial Report For the fiscal year ended June 30, 2005**



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Prepared by:  
Finance Department  
Financial Management Division

Mayor  
Larry A. Delgado

City Manager  
Mike P. Lujan

Director, Finance Department  
Kathryn L. Raveling

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**CITY OF SANTA FE, NEW MEXICO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2005**

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**TABLE OF CONTENTS:**

**Page 1**

**INTRODUCTORY SECTION**

Letter of Transmittal .....	i-vi
GFOA Certificate of Achievement.....	vii
Organizational Chart .....	viii
List of Elected and Appointed Officials .....	ix
Acknowledgments .....	x

**FINANCIAL SECTION**

Independent Auditors' Report .....	1-2
Management's Discussion and Analysis.....	3-16
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	17
Statement of Activities .....	18
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	19
Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
In Fund Balances of Governmental Funds to the Statement of Activities.....	21
Statement of Revenues, Expenditures and Changes in	
Fund Balances - Budget and Actual – General Fund.....	22-24
Statement of Net Assets – Proprietary Funds.....	26-27
Statement of Revenues, Expenses and Changes in	
Fund Net Assets – Proprietary Funds .....	28-29
Statement of Cash Flows - Proprietary Funds .....	30-31
Notes to Financial Statements:	
(The notes are an integral part of the Financial Statements)	
Summary of Significant Accounting Policies .....	32-39
Reconciliation of Government-Wide and Fund	
Financial Statements .....	39-41
Stewardship, Compliance and Accountability .....	41-43
Detailed Notes On all Funds .....	43-57
Other Information.....	58-63

**CITY OF SANTA FE, NEW MEXICO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For Fiscal Year Ended June 30, 2005**

**TABLE OF CONTENTS CONTINUED:**

**Page 2**

Supplementary Information:

Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds .....	65
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Governmental Funds .....	66
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	68-69
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Special Revenue Funds .....	70-71
Schedules of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – Special Revenue Funds .....	72-101
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	104-105
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Capital Projects Funds .....	106-107
Schedules of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – Nonmajor Capital Projects Funds .....	108-128
Schedules of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – Major Capital Projects Fund .....	129
Schedules of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual – Major Debt Service Fund .....	131
Combining Statement of Net Assets – Nonmajor Proprietary Funds .....	134-137
Combining Statement of Revenues, Expenses and Changes in	
Net Assets – Nonmajor Proprietary Funds .....	138-139
Combining Statement of Cash Flows – Nonmajor Proprietary Funds .....	140-141
Schedule of Revenues, Expenses and Changes in	
Net Assets – Budget and Actual – Nonmajor Proprietary Funds .....	142-147
Schedule of Revenues, Expenses and Changes in	
Net Assets – Budget and Actual – Major Proprietary Funds .....	148-151
Combining Statement of Net Assets – Internal Service Funds .....	153
Combining Statement of Revenues, Expenses and Changes in	
Net Assets – Internal Service Funds .....	154
Combining Statement of Cash Flows – Internal Service Funds .....	155
Schedule of Revenues, Expenses and Changes in	
Net Assets – Budget and Actual – Internal Service Funds .....	156-159

**CITY OF SANTA FE, NEW MEXICO**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For Fiscal Year Ended June 30, 2005**

**TABLE OF CONTENTS CONTINUED:**

**Page 3**

Capital Assets Used in the Operation of Governmental Funds –	
Comparative Schedule by Source.....	161
Capital Assets Used in the Operation of Governmental Funds –	
Schedule by Function and Activity .....	162-163
Capital Assets Used in the Operation of Governmental Funds –	
Schedule of Changes by Function and Activity.....	164
Discrete Component Units:	
Proprietary Combining Statement of Net Assets .....	165
Proprietary Combining Statement of Revenues, Expenses and	
Changes in Net Assets .....	166
Proprietary Combining Statement of Cash Flows .....	167
Proprietary Schedule of Revenues, Expenses and	
Changes in Net Assets – Budget and Actual .....	168-172

**STATISTICAL SECTION (Unaudited)**

General Fund Expenditures by Function .....	174
General Fund Revenues by Source.....	175
Property Tax Levies and Collections .....	176
Assessed and Estimated Actual Value of Property .....	177
Property Tax Rates per \$1,000 Assessed Valuation -- All	
Overlapping Governments .....	178
Special Assessments Collections .....	179
Ratio of Net General Bonded Debt to Assessed Value	
and Net Bonded Debt Per Capita.....	180
Computation of Legal Debt Margin .....	181
Computation of Direct and Overlapping Debt .....	182
Revenue Bond Coverage – Enterprise Funds .....	183-185
Economic and Demographic Information.....	186-189
Property Value, Construction Permits and	
Utility Connections.....	190
Ratio of Annual Debt Service Expenditures for General	
Obligation Bonded Debt to Total General Fund Expenditures.....	191
Principal Taxpayers in Santa Fe County .....	192
Ten of the Largest Employers .....	193
Schedule of Insurance in Force .....	194-197
Miscellaneous Statistics .....	198

**CITY OF SANTA FE, NEW MEXICO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For Fiscal Year Ended June 30, 2005**

**TABLE OF CONTENTS CONTINUED:**

**Page 4**

**SUPPLEMENTARY SCHEDULES**

Combined Schedule of Deposits and Investments .....	199-200
Schedule of Pledged Collateral (Market Value) .....	201-202
Proprietary Funds and Discretely Presented Component	
Units – Schedule of Capital Assets and Depreciation.....	203

**OTHER SUPPLEMENTARY FINANCIAL DATA (Unaudited)**

Schedule of Industrial Revenue Bonds Authorized.....	205
Schedule of Bonds Payable – Classified by Fund and Purpose.....	206
Schedule of Mortgage Revenue Bonds Authorized .....	207
Schedule of Joint Powers Agreements .....	208-211
Schedule of Other Financial Assistance .....	212-214

**SINGLE AUDIT SECTION**

Schedule of Expenditures of Federal Awards.....	215-216
Notes to Supplemental Schedule of Expenditures of Federal Awards .....	217-218
Independent Auditors' Report on Internal Control Over Financial Reporting and on	
Compliance and Other Matters Based on an Audit of Financial Statements Performed in	
Accordance with <u>Government Auditing Standards</u> .....	219-220
Independent Auditors' Report on Compliance with Requirements	
Applicable to Each Major Program and on Internal Control over	
Compliance in Accordance with OMB-Circular A-133.....	221-222
Schedule of Findings and Questioned Costs .....	223-240
Exit Conference .....	241

## **Introductory Section**



# City of Santa Fe, New Mexico

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

Larry A. Delgado, *Mayor*  
Mike P. Lujan, *City Manager*

## *Councilors:*

Carol Robertson-Lopez, Mayor Pro Tem, Dist. 4  
Patti J. Bushee, Dist. 1  
David Pfeffer, Dist. 1  
Karen Heldmeyer, Dist. 2  
Rebecca Wurzbarger, Dist. 2  
Miguel M. Chavez, Dist. 3  
David Coss, Dist. 3  
Matthew E. Ortiz, Dist. 4

December 1, 2005

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, which include regulations that require that all municipalities in the state of New Mexico to submit a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants for the previous fiscal year ending June 30. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Santa Fe for the fiscal year ended June 30, 2005.

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 that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Santa Fe's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Santa Fe's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Santa Fe's financial statements have been audited by Neff + Ricci, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Santa Fe for the fiscal year ended June 30, 2005 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

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*"Committed to our communitu. and makina a difference"*

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

reasonable basis for rendering an unqualified opinion that the City of Santa Fe's financial statements for the fiscal year ended June 30, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

### **Profile of the Government**

The City of Santa Fe was founded in 1609 and chartered as a town in 1891 under territorial law. It is located in the central northern part of the state and is the oldest capital in the United States. It currently has a population of approximately 64,700 people. The City in December 1997, by electoral vote, approved a Municipal Charter which became effective in March 1998. The City is empowered to levy a property tax on real properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Santa Fe has operated under the mayor-council-city manager form of government since 1954. Policy-making and legislative authority are vested in the governing body consisting of the mayor and eight city councilors. The governing body serves as the principal policy maker of the City. The governing body is responsible for passing ordinances, management of City finances and property, adopting the budget and creation or abolishment of departments. The mayor appoints and may remove the city manager, the city attorney, the city clerk, and members of advisory commissions, subject to the approval of the governing body. The city manager is the chief administrative officer of the City and is responsible for carrying out the policies and ordinances approved by the governing body, overseeing the day-to-day operations of the City, for appointing the directors of the various departments, the preparation of the annual budget, and keeping 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



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

four-year staggered terms, with four city councilors elected every two years. The mayor is elected to serve a four-year term. Eight council members are elected by districts. The mayor is elected at-large.

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 and cultural events; community welfare; and, municipal airport. The City is responsible for one component unit – Santa Fe Civic Housing Authority. The component unit is included in the reporting entity because of the significance of its operational or financial relationship with the City. The City is financially accountable for the component unit since the mayor, with approval of the city council, appoints a voting majority of the governing board and can impose its will on the entity. The component unit is discretely presented in the City's financial statements with additional information in the notes to the financial statements.

The annual budget serves as the foundation for the City of Santa Fe's financial planning and control. All departments of the City are required to submit requests for appropriations to the city manager in March of each year. The city manager uses these requests as the starting point for developing a proposed budget for the upcoming fiscal year. The city manager then presents this proposed budget to the finance committee (composed of five city councilors) in April through a series of several 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 department (e.g. police). The city manager may approve transfers of appropriations within a department up to \$20,000. Transfers over \$20,000 or between funds and budget increases require city council approval. Budget-to-actual comparisons are provided in this report for each fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 22 through 24 as part of the basic financial statements for the governmental funds. For funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the fund subsections of this report.

### **Factors Affecting Financial Condition**

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

**Local economy.** The City of Santa Fe currently enjoys a stable economic environment and local indicators point to continued stability. The region has a stable government (state and local) base, as well as a broad established arts and tourism sector composed of hotels, retail shops, galleries, museums, and restaurants. Government remains the area's largest employer with more than 17,400 people or about one-third of the work force. Other major

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

businesses and largest employers located in the City or in close proximity include a hospital and other medical services, the Santa Fe Opera, and Ski Santa Fe.

The region (which includes the City of Santa Fe and the surrounding unincorporated area within the same county) has an employed labor force of approximately 58,800. Unemployment remains lower than state and national levels at 3.4%. The City's central business district is expected to maintain its current near full occupancy with a variety of stores, specialty shops, galleries, and other tourism related businesses. Although the second quarter of 2005 reflected a 14.99% increase in the number of home sales from the same period last year, home costs continue to increase with an average median price of \$393,440. The City has a minimum wage ordinance which requires \$8.50 per hour for certain business, which increases to \$9.50 in 2006, \$10.50 in 2008, and by a consumer price index thereafter.

#### **Long-term financial planning.**

The most significant issue the City continues to face is extended drought conditions in the region, which has resulted in increasingly strict water usage restrictions. Requirements for new construction and development now include water saving retrofits in other facilities to offset new water uses. The City is pursuing additional water supply from supplemental wells, additional water rights, and a river diversion project. These and other related water projects will require complex negotiations with state and federal agencies, extensive environmental assessments, regional coordination, and substantial planning for funding of up to \$150 million in the next five years, which will hopefully include substantial state and federal funding and county participation.

Planning is continuing for a new convention center and connected parking garage. The current facility is an old high school gymnasium which has considerable limitations in holding events and providing desired amenities and space. Although variations of this project have been under consideration for a number of years, a mayor-appointed community task force and various consultants have presented recommendations for such a facility. In January 2004, the legislature authorized an additional 1% Convention Center fee (for a total of 7% of Lodgers' Tax/Convention Center fee charge on lodging rooms), which was enacted by the City for the purpose of financing a facility. The archeological testing has been started with some discovery of artifacts which was anticipated. A design is underway with demolition scheduled by January 2006.

#### **Cash management policies and practices.**

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Treasury, repurchase agreements, money market savings accounts, and the New Mexico State Treasurer Local Government Investment Pool (LGIP). The length of the investment maturities range from 6 months to 5 years, with an average of 1.26 years. The average yield on investments was 2.99%.

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

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

**Pension and other post employment benefits.** The City of Santa Fe participates in the State of New Mexico Public Employees Retirement plan. Substantially all of the City's full-time employees participate in the retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees 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. At the end of the fiscal year, there were 306 retired employees receiving these benefits. GAAP do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

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

Additional information of the City's pension arrangements and postemployment benefits can be found in Notes V. E. and F. on pages 58 and 62-63.

### **Awards and acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Santa Fe for its Comprehensive Annual Financial Report (CAFR) for the fiscal years ended June 30, 1988-95, 1997-99, and 2001-04. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

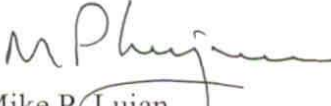
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR will meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 30, 2004 (as well as the previous years since FY 86/87). In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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

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,

  
Mike P. Lujan  
City Manager

  
Kathryn L. Raveling  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Santa Fe,  
New Mexico

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Ziehl*

President

*Jeffrey R. Enen*

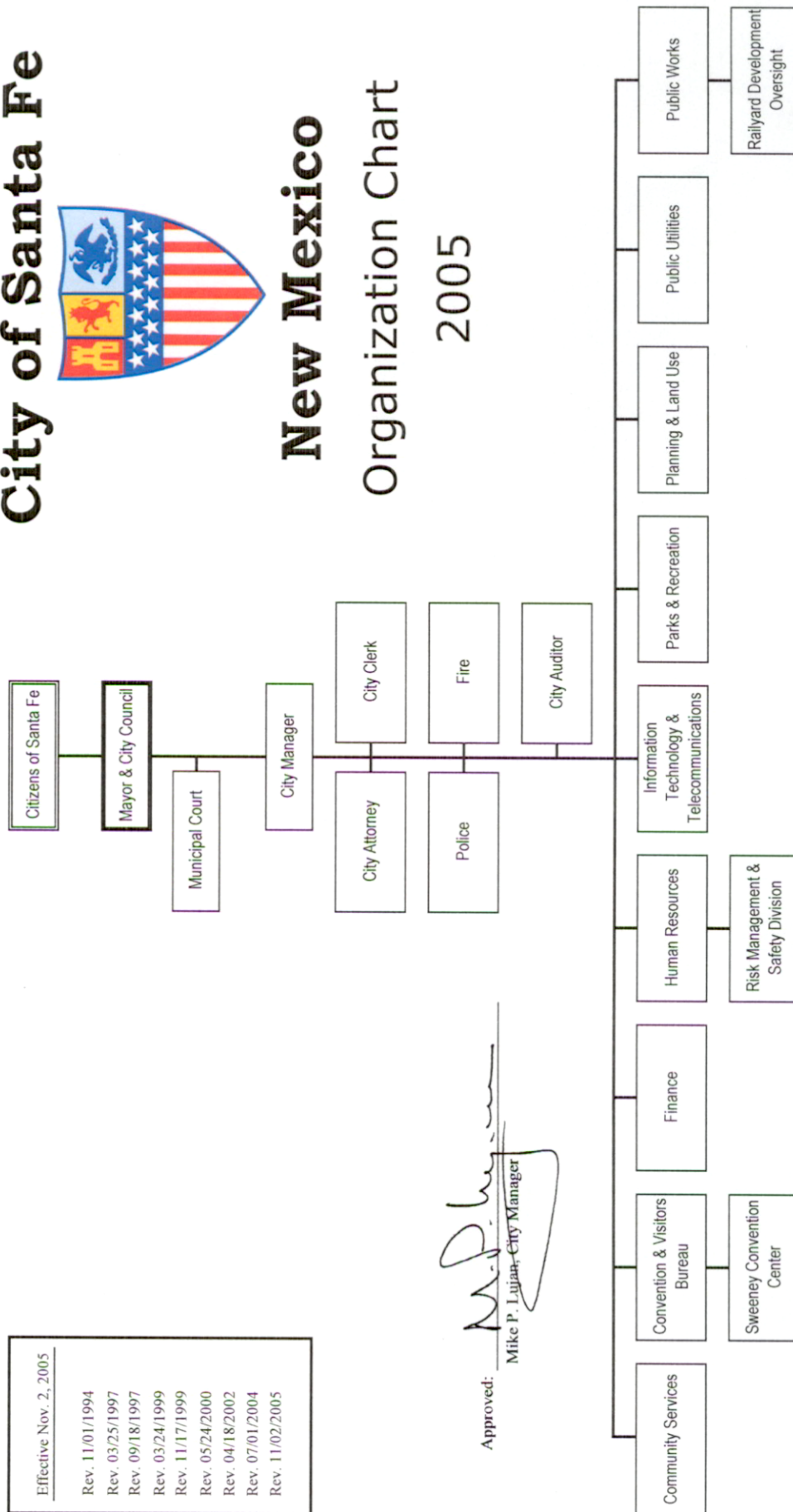
Executive Director

# City of Santa Fe



## New Mexico

### Organization Chart 2005



Approved:

*Mike P. Lujan*  
Mike P. Lujan, City Manager

**CITY OF SANTA FE, NEW MEXICO  
PRINCIPAL OFFICIALS  
JUNE 30, 2005**

**MAYOR**

Larry A. Delgado

**CITY COUNCIL**

Carol Robertson Lopez, Mayor Pro Tem.....District 4  
Patti J. Bushee.....District 1  
David Pfeffer.....District 1  
Rebecca Wurzbarger.....District 2  
Karen Heldmeyer.....District 2  
David Coss.....District 3  
Miguel M. Chavez.....District 3  
Matthew Ortiz.....District 4

**CITY MANAGER**

Mike P. Lujan

**FINANCE DEPARTMENT**

Kathryn L. Raveling  
Finance Department Director

Teresita Garcia  
Financial Management Division Director

Joelle Mevi  
Cash/Investment Officer

Cal Probasco  
Budget Officer

Angelica G. Salazar  
Senior Financial Analyst

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

FINANCE DEPARTMENT

Kathryn L. Raveling, Finance Department Director

Laura C. Vigil, Administrative Assistant

Teresita Garcia, Financial Management Division Director

Joelle Mevi, Cash/Investment Officer

Angelica Salazar, Chief Financial Analyst

Amy Martinez-Duran, Accounting Supervisor

Erica Duran, Accounting Supervisor

Melinda Jagles-Moquino, Accounting Supervisor

Vincent S. Montoya, Financial Analyst

Tony S. Martinez, Financial Analyst

Leigh Sullivan, Financial Analyst

Robin L. Shute, Financial Analyst

WEB PUBLICATION

Andy Hopkins, Budget Analyst

GRAPHICS SECTION

Valerie A. Chelonis, Graphic Artist

COVER PHOTO

Maria Clokey



## **Financial Section**



## Independent Auditors' Report

City of Santa Fe  
Santa Fe, New Mexico  
Honorable Mayor and City Council  
and  
Mr. Domingo P. Martinez, CGFM  
New Mexico State Auditor

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the respective budgetary comparison for the general fund of the City of Santa Fe, New Mexico (City), as of and for the year ended June 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City of Santa Fe, New Mexico's nonmajor governmental, nonmajor enterprise, and internal service funds presented as supplementary information in the accompanying combining and individual fund and other financial statements, and the respective changes in the financial position and cash flows, where applicable, as of and for the year ended June 30, 2005, as listed in the table of contents. These financial statements are the responsibility of the City of Santa Fe's management. Our responsibility is to express opinions on these financial statements based on our audit.

We 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 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Santa Fe, New Mexico, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund 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 above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, and internal service funds of the City of Santa Fe, New Mexico, as of June 30, 2005, and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for nonmajor governmental funds, the major capital project and debt service funds, and the proprietary funds for the year ended in conformity with accounting principles generally accepted in the United States of America.

City of Santa Fe  
Santa Fe, New Mexico  
Honorable Mayor and City Council  
and  
Mr. Domingo P. Martinez, CGFM  
New Mexico State Auditor

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2005, on our consideration of the City of Santa Fe's internal control over financial reporting and 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 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 Audit Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual financial statements and budgetary comparison schedules presented as supplementary information. The accompanying supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis required by US Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Not-for-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

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

*Neff + Ricci LLP*

Albuquerque, New Mexico  
December 1, 2005

## Management's Discussion and Analysis

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, 2005. 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 \$403,748,343 (*net assets*). Of this amount, \$147,346,112 (*unrestricted net assets*) may be used to meet the City's obligations to citizens and creditors.
- The City's total net assets increased by \$20,892,995. This was primarily in cash in business-type activities in anticipation of major upcoming projects.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$101,157,687 a decrease of \$977,371 in comparison with the prior year. Approximately 93% of this total amount, \$95,013,615 is *available for spending* at the City's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$19,527,994 or 32 percent of total general fund expenditures.
- The City's total long-term debt decreased by \$11,790,000 (6.0%) during the current fiscal year. The key factor was the payment of principal on current bonds.

### Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon



as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacations leave).

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

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

The government-wide financial statements can be found on pages 17 and 18 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 of 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 52 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, ½% GRT CIP fund, and the debt service fund, all of which are considered to be major funds. Data from the other 49 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 19 through 24 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 Sweeney Convention Center, Parking Operations, Solid Waste Management, Water Management, Transit Operations, Wastewater Management, Municipal Recreation Complex, Genoveva Chavez Community Center, Railyard Property and Airport. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Employee and Retiree Health Care, Risk Management Administration, and Workers' Compensation. 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, Municipal Recreation Complex and the Railyard Property which are considered to be major funds of the City. The Genoveva Chavez Community Center was previously reported as a major fund but is now reclassified as a non-major fund. Internal service funds are combined into a single, aggregated presentation in the propriety 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 63 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 \$403,748,343 at the close of the most recent fiscal year.

A portion of the City's net assets (60%) 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						
Fiscal Year 04/05						
	Governmental Activities		Business-type Activities		Total	
	2005	2004 (as restated)*	2005	2004 (as restated)**	2005	2004 (as restated)
Current and other assets	\$ 125,368,673	\$ 127,568,157	\$ 74,236,999	\$ 55,046,377	\$ 199,605,672	\$ 182,614,534
Capital assets	256,711,300	274,084,036	178,322,771	158,639,850	435,034,071	432,723,886
Total assets	382,079,973	401,652,193	252,559,770	213,686,227	634,639,743	615,338,420
Long-term liab. outstanding	118,073,223	122,417,783	86,134,815	83,425,234	204,208,038	205,843,017
Other liabilities	18,364,485	19,100,264	8,318,877	7,539,792	26,683,362	26,640,056
Total liabilities	136,437,708	141,518,047	94,453,692	90,965,026	230,891,400	232,483,073
Net assets:						
Invested in capital assets,						
net of related debt	143,746,053	154,928,807	100,137,996	75,547,411	243,884,049	230,476,218
Restricted	3,285,631	4,128,579	9,232,551	9,189,925	12,518,182	13,318,504
Unrestricted	98,610,581	101,076,761	48,735,531	37,983,865	147,346,112	139,060,626
Total net assets	\$ 245,642,265	\$ 260,134,147	\$ 158,106,078	\$ 122,721,201	\$ 403,748,343	\$ 382,855,348
*Restate capital assets						
**Restate internal balances						

An additional portion of the City's net assets (3.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$147,346,112) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report 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, as in the previous schedule. The same situation held true for the prior fiscal year.

There was a minor increase of \$42,626 in restricted assets reported in connection with the City's business-type activities related to water management debt service.

The City's net assets increased by \$20,892,995 during the current fiscal year. This growth largely reflects increases in cash and capital assets in business-type activities.

**Governmental activities.** Governmental activities decreased the City's net assets by \$14,491,882. Key elements of this decrease are as follows:

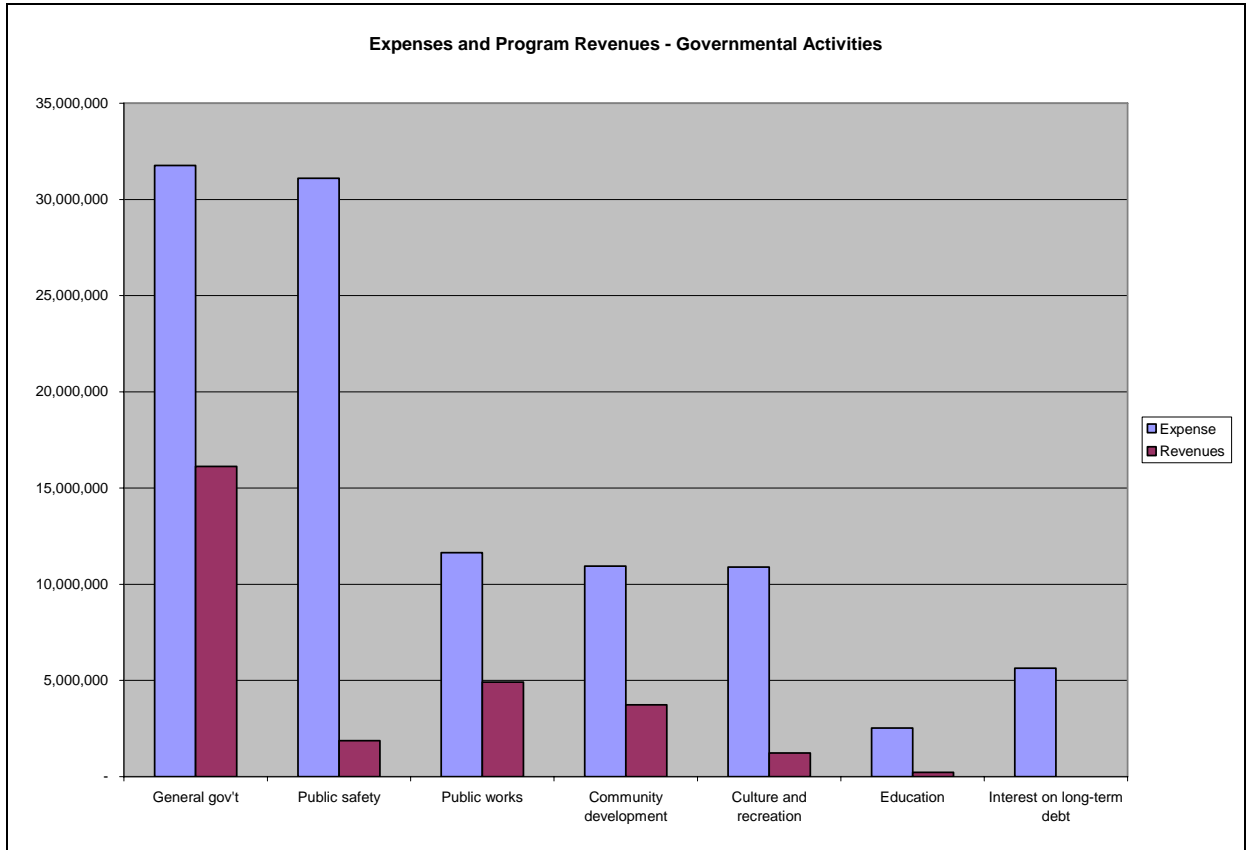
- A transfer was included of property acquired in 1995 in the amount of \$20,145,837 of 50 acres of down-town property. An extensive community planning process was undertaken and the project is now under development. The property was acquired through an increment of gross receipts tax, however, since the use of the property is now for the development of retail, a multi-plex theater, parking garage, community plaza and a park, the property was transferred to a development enterprise fund called the Railyard Property.
- Tax revenues increased by \$3,600,174 (5.3%) which primarily reflects growth in gross receipts tax and an increase in lodgers' taxes (4.2%).
- Capital grants and contributions increased \$9,093,068 which was primarily for the acquisition of railway property for potential future commuter rail.
- Charges for services increased \$2,484,342 which was primarily an increase in impact fees.



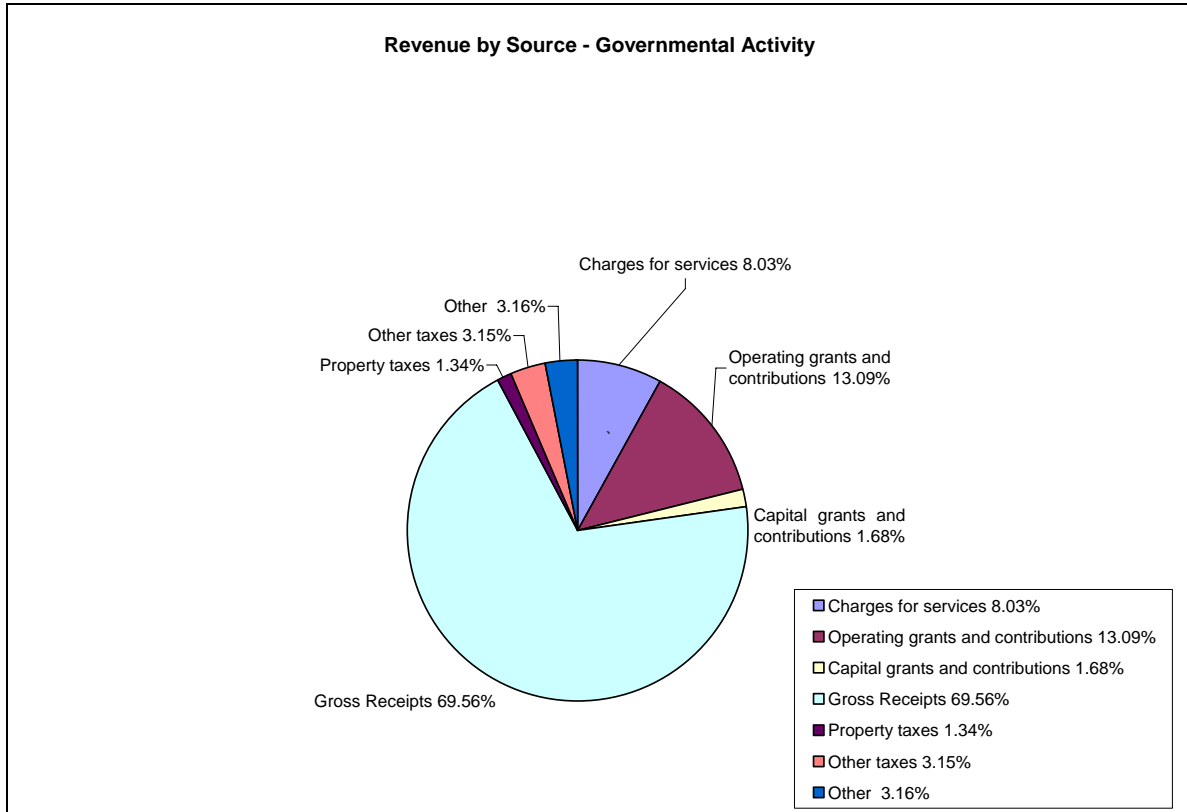
**CITY OF SANTA FE's Changes in Net Assets  
Fiscal Year 04/05**

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 9,903,332	\$ 7,418,990	\$ 51,512,398	\$ 52,954,676	\$ 61,415,730	\$ 60,373,666
Operating grants and contributions	6,265,598	5,330,783	805,979	215,000	7,071,577	5,545,783
Capital grants and contributions	11,938,903	2,845,225	2,720,195	12,275,073	14,659,098	15,120,298
General revenues:						
Property taxes	1,646,328	1,545,895	-	-	1,646,328	1,545,895
Other taxes	89,642,857	86,042,683	-	-	89,642,857	86,042,683
Other	4,034,013	3,342,333	4,651,185	2,872,705	8,685,198	6,215,038
Total revenues	123,431,031	106,525,909	59,689,757	68,317,454	183,120,788	174,843,363
Expenses:						
General government	31,765,902	22,393,020	-	-	31,765,902	22,393,020
Public safety	31,103,547	28,500,025	-	-	31,103,547	28,500,025
Public works	11,639,112	14,621,049	-	-	11,639,112	14,621,049
Community development	10,946,430	10,180,137	-	-	10,946,430	10,180,137
Culture and recreation	10,900,710	9,708,241	-	-	10,900,710	9,708,241
Education	2,528,186	2,456,459	-	-	2,528,186	2,456,459
Interest on long-term debt	5,630,475	5,093,359	-	-	5,630,475	5,093,359
Wastewater management	-	-	9,523,908	9,352,601	9,523,908	9,352,601
Water management	-	-	20,647,005	20,258,711	20,647,005	20,258,711
Municipal Recreation Complex	-	-	3,263,270	3,302,425	3,263,270	3,302,425
Railyard Property	-	-	173,224	-	173,224	-
All other proprietary funds	-	-	24,106,024	23,135,784	24,106,024	23,135,784
Total expenses	104,514,362	92,952,290	57,713,431	56,049,521	162,227,793	149,001,811
Increase(decrease) in net assets before transfers:	18,916,669	13,573,619	1,976,326	12,267,933	20,892,995	25,841,552
Transfers net	(13,262,714)	(12,103,500)	13,262,714	12,103,500	-	-
Special item	(20,145,837)	-	20,145,837	-	-	-
Increase (decrease) in net assets	(14,491,882)	1,470,119	35,384,877	24,371,433	20,892,995	25,841,552
Beginning balance	260,836,643	259,366,524	122,721,201	98,349,768	383,557,844	357,716,292
Prior period adjustment	(702,496)	-	-	-	(702,496)	-
Ending balance	\$ 245,642,265	\$ 260,836,643	\$ 158,106,078	\$ 122,721,201	\$ 403,748,343	\$ 383,557,844

**CITY OF SANTA FE**  
**Fiscal Year 04/05**



## CITY OF SANTA FE Fiscal Year 04/05



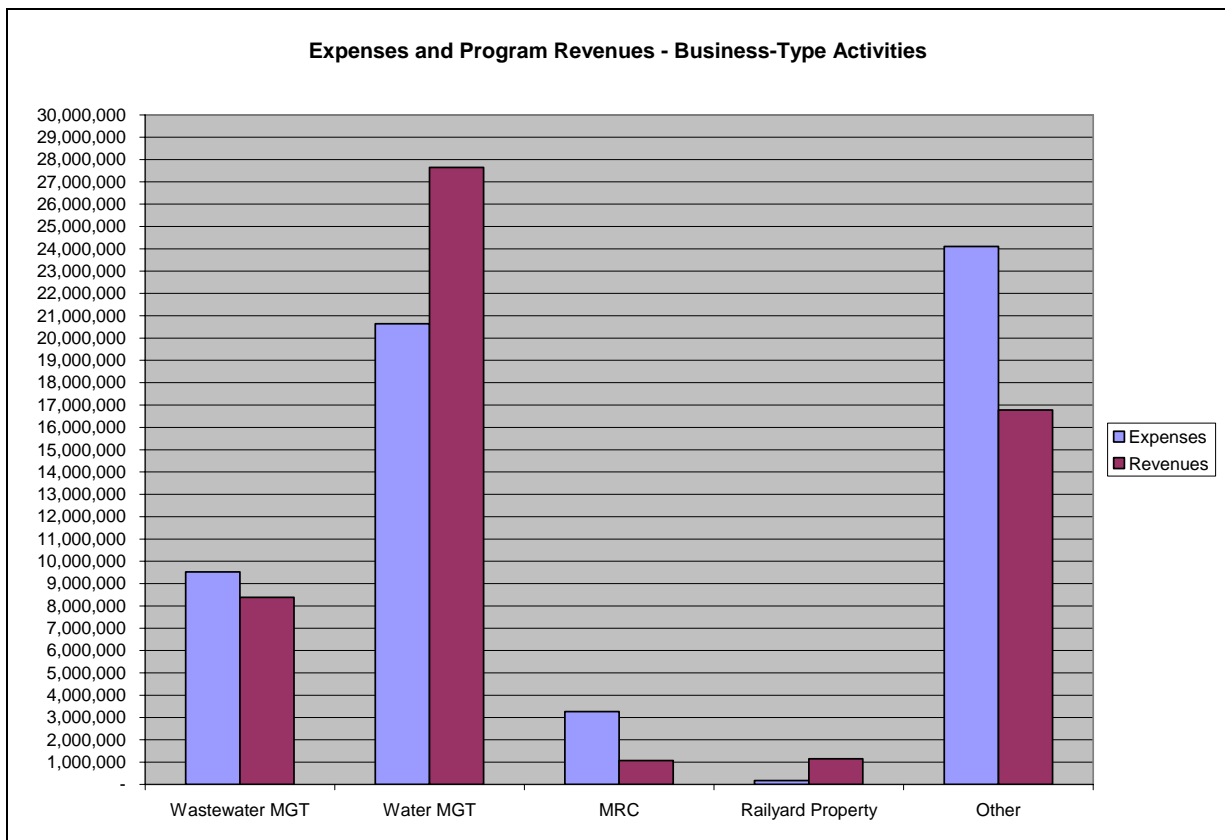
For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. One noteworthy exception, however, was increased funding in public safety of \$2.6 million for public safety (primarily police) which included pay increases, general increases for insurances and retirement benefits, capital outlay, gasoline for expanded commuting program, and increased City contribution to the regional dispatch operations.

**Business-type activities.** Business-type activities increased the City's net assets by \$35,384,877, accounting for all of the total growth in the government's net assets. Key elements of this increase are as follows:

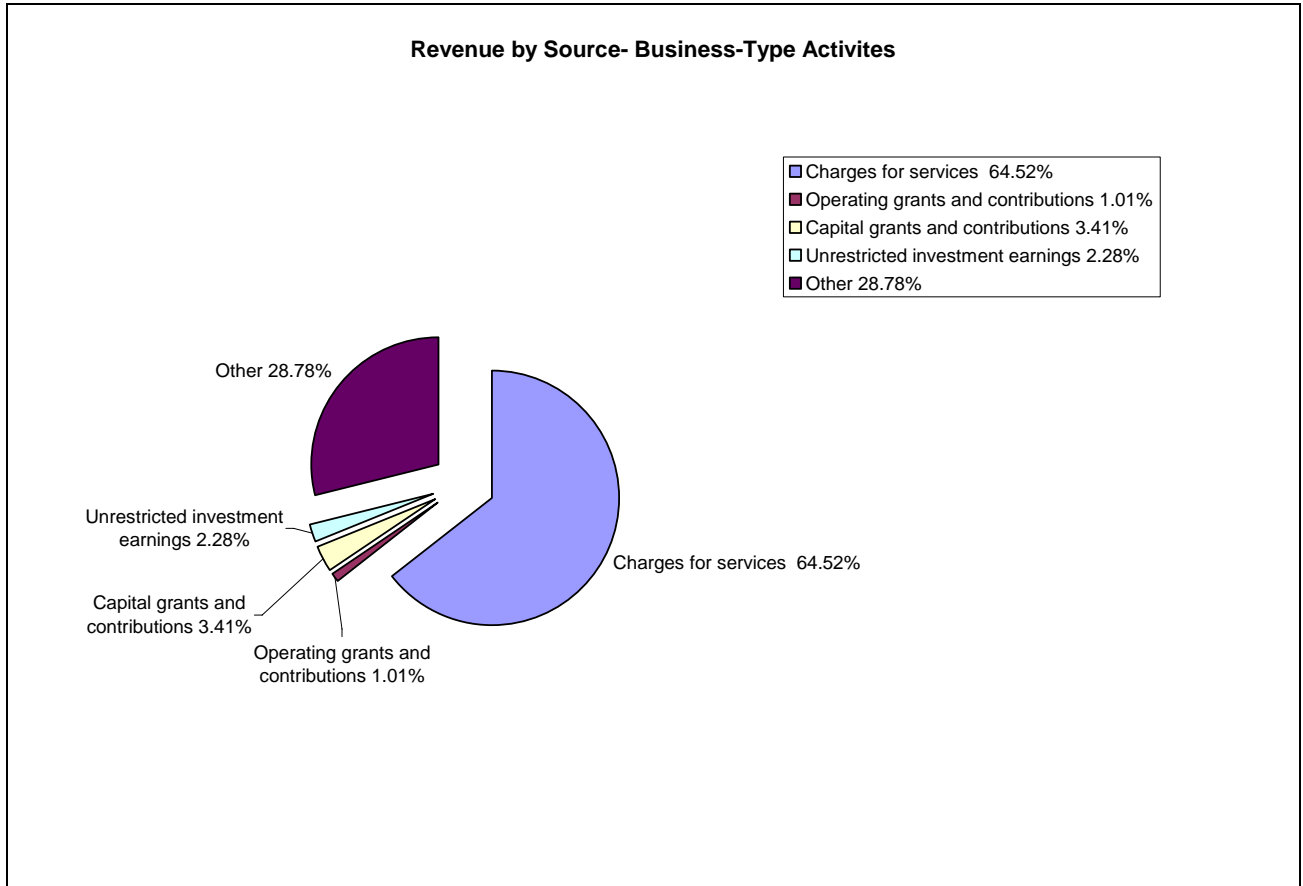
- Transfer of governmental real estate to development enterprise operations of \$20,145,837 million.
- Increased net assets for the water management utility fund (even though revenues were down compared to prior fiscal year) which will be applied to major projects that are currently just starting up.

- Lodgers' tax funds of \$4.2 million were transferred to the Convention Center in anticipation of the construction of a new convention center for which bonds will be issued in FY 05/06.
- The Solid Waste Management fund also had a net increase in assets of \$634,000 due to a rate increase to provide for replacement of major equipment which includes automated collection trucks.

**CITY OF SANTA FE**  
**Fiscal Year 04/05**



**CITY OF SANTA FE**  
**Fiscal Year 04/05**



**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 spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$101,157,687, an decrease of \$977,371 in comparison with the prior year. Most of this total amount (\$95,013,615) constitutes *unreserved fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been

committed to liquidate contracts and purchase orders of the prior period (\$1,988,285), to pay debt service (\$3,752,005), and for inventory (\$403,782).

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 \$19,527,994 while total fund balance was \$21,045,001. 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 32 percent of total general fund expenditures, which total fund balance represents 35 percent of that same amount.

The fund balance of the City's general fund increased by \$88,501 during the current fiscal year. Key factors in this decrease are as follows:

- Transfers from other funds decreased by \$2,104,437 due to availability of excess cash balances from the prior fiscal year.
- Transfers to other funds increased by \$406,072
- An increase in current expenditures by \$4,165,425
- An increase in capital outlay expenditures by \$227,470
- Net revenues only increased by \$1,809,970, primarily in taxes, fees and interest
- A prior period adjustment of approximately \$1,682,592 of compensated absences.

The debt service fund has a total fund balance of \$3,752,005, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$376,575, due to regular payments of interest, principal, and related transactions.

**Proprietary funds.** The City's proprietary 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 \$48,735,531 of which 36% is for wastewater management. In total, net assets for proprietary funds increased by \$35,384,877. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were relatively minor (\$3,394,452 increase in appropriations) and can be briefly summarized as follows:

- \$1,398,760 increase in general government
- \$1,062,432 increase in public safety
- \$295,904 increase in public works
- \$172,608 increase in community development
- \$178,361 increase in culture & recreation
- \$68,104 increase in education
- \$218,283 increase in transfers to other programs

Of this increase, \$1,088,450 was funded from revenue increases primarily from taxes. The remaining \$2,306,002 was budgeted from available fund balance, most of which were related to carryovers from the prior fiscal year and capital equipment replacement.

The actual revenues for the General Fund in total were below budget by \$2,348,635 with the apparent deficit in fees and charges for services reflecting the deduction of charges for services from the enterprise funds to the general fund in the amount of \$2,461,689 which would reflect actual revenues over budget by \$113,054. Total expenditures for the General Fund were less than budget by \$3,021,144 reflecting encumbrances and other carryovers for the next fiscal year, as well as authorized budgets that were not expended during the fiscal year.

### **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, 2005 amounts to \$435,034,071 (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 minimal (a 6.0% decrease for governmental activities and a 12.4% increase for business-type activities).

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

- Construction in progress in various City facilities increased by \$15,182,688 in both governmental-type and business-type funds due to projects in progress with the bond funds and wastewater projects, railyard property development, and other projects.
- General city projects included street paving, signalization, river channel improvements, park improvements, building renovations, and street traffic calming projects for a total amount of over \$9.5 million.

CITY OF SANTA FE's Capital Assets (Net of Depreciation) Fiscal Year 04/05							
	Governmental Activities		Business-type Activities		Total		
	2005	2004 (as restated)	2005	2004	2005	2004 (as restated)	
Land	\$ 162,499,280	\$ 182,642,409	\$ 25,824,745	\$ 5,673,907	\$ 188,324,025	\$ 188,316,316	
Construction in Progress	17,850,906	11,326,106	31,626,279	22,968,391	49,477,185	34,294,497	
Art	922,920	859,920	180,971	185,971	1,103,891	1,045,891	
Buildings and Systems	26,935,785	27,494,327	37,416,087	38,469,984	64,351,872	65,964,311	
Improvements	7,362,164	8,603,755	65,109,864	71,269,093	72,472,028	79,872,848	
Sewerlines	-	-	9,506,755	10,006,425	9,506,755	10,006,425	
Equipment and Machinery	3,636,785	3,762,974	2,032,020	2,570,405	5,668,805	6,333,379	
Furniture and Fixtures	153,085	189,923	189,232	196,652	342,317	386,575	
Vehicles	4,178,010	3,155,238	5,444,887	6,307,863	9,622,897	9,463,101	
Intangible Plant	-	-	-	3,033	-	3,033	
Data Processing and Software	1,597,019	1,535,225	991,931	988,126	2,588,950	2,523,351	
Traffic Signals	3,970,812	4,984,045	-	-	3,970,812	4,984,045	
Streets	27,604,534	29,530,114	-	-	27,604,534	29,530,114	
Total	\$ 256,711,300	\$ 274,084,036	\$ 178,322,771	\$ 158,639,850	\$ 435,034,071	\$ 432,723,886	

Additional information on the City's capital assets can be found in note IV-C on pages 47 and 48 of this report.

CITY OF SANTA FE'S OUTSTANDING DEBT Revenue Bonds Fiscal Year 04/05						
	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenue bonds	\$ 109,910,000	\$ 117,210,000	\$ 75,360,000	\$ 79,850,000	\$ 185,270,000	\$ 197,060,000
Total	\$ 109,910,000	\$ 117,210,000	\$ 75,360,000	\$ 79,850,000	\$ 185,270,000	\$ 197,060,000

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$185,270,000. Of this amount, \$109,910,000 comprises debt backed by gross receipts tax revenues and \$75,360,000 is for various business-type bonds backed by specified operational revenue sources.

The City's total bonded debt decreased by \$11,790,000 (6%) during the current fiscal year. Additional financing was incurred in the amount of \$8,470,000 and \$20,260,000 was paid off.



The City has no outstanding general obligation bonds.

Most of the City's bonds are insured and are rated AAA from Standard & Poor's and Aaa from Moody's. The waste water variable rate bonds are currently A+/A-1 and Aa2 respectively. The 1999 Gross Receipts Tax Revenue Bonds were rated AA and A1 respectively.

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 \$97 million, which would be fully available since the City has no outstanding general obligation debt.

Additional information on the City's long-term debt can be found in note IV-F on pages 55 through 57 of this report.

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

- The unemployment rate for the Santa Fe MSA is currently at 3.4%, which has remained steady from a year ago. This compares favorably to the state's current unemployment rate of 6.2% and the national average rate of 6.0%.
- The occupancy rate of the City's central business district has remained at near 100% for most years.
- Economic trends in the region compare favorably to national indices.

All of these factors were considered in preparing the City's budget for fiscal year 05/06.

During the current fiscal year, unreserved fund balance in the general fund increased to \$19,527,994. The City has appropriated approximately \$9.2 million of this amount for spending in FY 05/06 budget. Most of the receivables are included as the City prepares the budget, which is primarily on a cash basis, for the following fiscal year. This does not significantly impact the level of the fund balance, as the following year-end will include comparable receivables. It is anticipated that there will be a need to raise general fund taxes or charges for the general fund for FY 05/06.

### **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.

## **Basic Financial Statements**

**CITY OF SANTA FE, NEW MEXICO**

**Statement of Net Assets**

**June 30, 2005**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing Authority
<b>ASSETS</b>				
Cash, investments and cash equivalents	\$ 78,806,315	\$ 76,834,625	\$ 155,640,940	\$ 3,139,311
Receivables (net of allowance for uncollectables)	21,756,037	9,053,173	30,809,210	218,539
Internal balances	19,624,545	(19,624,545)	-	-
Inventories	403,782	-	403,782	-
Prepaid expenses	-	665,432	665,432	75,504
Other current assets	-	-	-	13,456
Deferred charges	1,160,835	4,842,800	6,003,635	-
Restricted assets:				
Temporarily restricted:				
Interest receivable	441,489	366,904	808,393	-
Intergovernmental receivable	3,175,670	2,098,610	5,274,280	-
Capital assets (net of accumulated depreciation):				
Land	162,499,280	25,824,745	188,324,025	590,852
Buildings, structures and systems	26,935,785	46,922,842	73,858,627	9,726,566
Furniture and fixtures	153,085	189,232	342,317	-
Improvements	7,362,164	65,109,864	72,472,028	-
Equipment and machinery	3,636,785	2,032,020	5,668,805	8,307
Vehicles	4,178,010	5,444,887	9,622,897	97,483
Art	922,920	180,971	1,103,891	-
Data processing equipment/software	1,597,019	991,931	2,588,950	-
Traffic signals	3,970,812	-	3,970,812	-
Streets	27,604,534	-	27,604,534	-
Construction in progress	17,850,906	31,626,279	49,477,185	597,494
Total assets	382,079,973	252,559,770	634,639,743	14,467,512
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	12,975,414	4,016,018	16,991,432	498,081
Accrued interest payable	466,374	376,287	842,661	61,160
Unearned revenue	3,231,121	-	3,231,121	150,646
Deferred revenue	-	1,225,528	1,225,528	-
Liabilities from restricted cash	1,691,576	2,701,044	4,392,620	-
Longterm liabilities:				
Due within one year	9,186,920	4,919,771	14,106,691	123,945
Due in more than one year	108,886,303	81,215,044	190,101,347	3,540,922
Total liabilities	136,437,708	94,453,692	230,891,400	4,374,754
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	143,746,053	100,137,996	243,884,049	7,579,780
Restricted for:				
Debt service	3,285,631	9,232,551	12,518,182	-
Unrestricted	98,610,581	48,735,531	147,346,112	2,512,978
Total net assets	\$ 245,642,265	\$ 158,106,078	\$ 403,748,343	\$ 10,092,758

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, 2005**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit Business-type Activities
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 31,765,902	\$ 5,928,430	\$ 26,578	\$ 10,168,219	\$ (15,642,675)	\$ -	\$ (15,642,675)	\$ -
Public safety	31,103,547	671,958	1,201,267	-	(29,230,322)	-	(29,230,322)	-
Public works	11,639,112	3,052,065	536,523	1,326,180	(6,724,344)	-	(6,724,344)	-
Community development	10,946,430	144,195	3,474,113	120,244	(7,207,878)	-	(7,207,878)	-
Culture and recreation	10,900,710	106,684	801,047	324,260	(9,668,719)	-	(9,668,719)	-
Education	2,528,186	-	226,070	-	(2,302,116)	-	(2,302,116)	-
Interest on long-term debt	5,630,475	-	-	-	(5,630,475)	-	(5,630,475)	-
Total governmental activities	104,514,362	9,903,332	6,265,598	11,938,903	(76,406,529)	-	(76,406,529)	-
Business-type activities:								
Wastewater Management	9,523,908	8,388,757	-	-	-	(1,135,151)	(1,135,151)	-
Water Management	20,647,005	26,305,704	-	1,339,601	-	6,998,300	6,998,300	-
Municipal Recreation Complex	3,263,270	1,073,646	-	-	-	(2,189,624)	(2,189,624)	-
Railyard Cener	173,224	737,700	-	412,659	-	977,135	977,135	-
Genoveva Chavez Community Center	3,988,449	1,559,775	-	24,428	-	(2,404,246)	(2,404,246)	-
Sweeney Convention Center	854,946	179,925	-	-	-	(675,021)	(675,021)	-
Solid Waste Management	8,373,182	8,877,203	-	-	-	504,021	504,021	-
Transit and Airport Systems	6,911,775	829,695	805,979	943,507	-	(4,332,594)	(4,332,594)	-
Parking Enterprise Fund	3,977,672	3,559,993	-	-	-	(417,679)	(417,679)	-
Total business-type activities	57,713,431	51,512,398	805,979	2,720,195	-	(2,674,859)	(2,674,859)	-
Total primary government	\$ 162,227,793	\$ 61,415,730	\$ 7,071,577	\$ 14,659,098	(76,406,529)	(2,674,859)	(79,081,388)	-
<b>Component Unit:</b>								
Housing Authority	\$ 7,736,626	\$ 1,605,345	\$ 5,247,850	\$ 939,851	-	-	-	56,420
Total component unit	\$ 7,736,626	\$ 1,605,345	\$ 5,247,850	\$ 939,851	-	-	-	56,420
General Revenues:								
Property taxes					1,646,328	-	1,646,328	-
Sales taxes					85,755,995	-	85,755,995	-
Franchise taxes					2,308,962	-	2,308,962	-
Motor fuel taxes					1,432,826	-	1,432,826	-
Cigarette taxes					145,074	-	145,074	-
Unrestricted investment earnings					2,049,567	1,822,075	3,871,642	52,582
Miscellaneous revenues					1,984,446	2,793,229	4,777,675	68,979
Gain on sale of capital assets					-	35,881	35,881	-
Transfers					(13,262,714)	13,262,714	-	-
Special Item-transfer of capital asset					(20,145,837)	20,145,837	-	-
Total general revenues, transfers and special items					61,914,647	38,059,736	99,974,383	121,561
Change in net assets					(14,491,882)	35,384,877	20,892,995	177,981
Net assets, beginning (as restated)					260,134,147	122,721,201	382,855,348	9,914,777
Net assets, ending					\$ 245,642,265	\$ 158,106,078	\$ 403,748,343	\$ 10,092,758

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, 2005**

	Major funds				Other Non Major Funds	Total Governmental Funds
	General Fund	1/2% CIP GRT	Debt Service			
<b>Assets</b>						
Cash and investments	\$ 12,279,976	\$ 4,564,200	\$ 3,752,273	\$ 46,758,704	\$ 67,355,153	
Receivables:						
State-shared taxes	6,124,233	2,432,843	-	2,964,916	11,521,992	
Local taxes	3,090,713	-	-	-	3,090,713	
Real estate taxes	17,259	-	-	-	17,259	
Special assessments	162,152	-	-	-	162,152	
Interest	74,588	-	32,556	277,141	384,285	
Ambulance (net of allowances)	3,304,248	-	-	-	3,304,248	
Grants-restricted	72,466	-	-	3,103,204	3,175,670	
Other receivables (net of allowance)	43,779	-	-	3,606,380	3,650,159	
Due from other funds	979,599	19,624,545	-	-	20,604,144	
Supplies inventory	403,782	-	-	-	403,782	
<b>Total assets</b>	<b>\$ 26,552,795</b>	<b>\$ 26,621,588</b>	<b>\$ 3,784,829</b>	<b>\$ 56,710,345</b>	<b>\$ 113,669,557</b>	
<b>Liabilities and Fund Equity</b>						
Liabilities:						
Accounts payable	\$ 836,214	\$ 6,951	\$ -	\$ 1,945,611	\$ 2,788,776	
Compensated absences payable	448,546	86,774	-	619,327	1,154,647	
Accrued wages payable	1,601,939	51,497	-	45,111	1,698,547	
Due to other funds	-	-	-	979,599	979,599	
Unearned Revenue	105,039	-	-	3,126,082	3,231,121	
Other current liabilities	967,604	-	-	-	967,604	
Liabilities payable from restricted assets	1,548,452	-	32,824	110,300	1,691,576	
<b>Total liabilities</b>	<b>5,507,794</b>	<b>145,222</b>	<b>32,824</b>	<b>6,826,030</b>	<b>12,511,870</b>	
Fund balances:						
Fund balance:						
Reserved for debt service	-	-	3,752,005	-	3,752,005	
Reserved for encumbrances	1,113,225	-	-	875,060	1,988,285	
Reserved for inventory	403,782	-	-	-	403,782	
Unreserved, reported in:						
General fund	19,527,994	-	-	-	19,527,994	
Special revenue funds	-	-	-	24,748,085	24,748,085	
Capital projects funds	-	26,476,366	-	24,261,170	50,737,536	
<b>Total Fund Balances</b>	<b>21,045,001</b>	<b>26,476,366</b>	<b>3,752,005</b>	<b>49,884,315</b>	<b>101,157,687</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 26,552,795</b>	<b>\$ 26,621,588</b>	<b>\$ 3,784,829</b>	<b>\$ 56,710,345</b>		

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	256,704,070
Other long-term assets are not available to pay for current-period expenditures and, therefore are not reported in the funds.	1,160,835
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.	5,099,682
Accrued interest payable	(466,374)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(112,965,247)
Other long-term liabilities-compensated balances	(5,048,388)
<b>Net assets of governmental activities</b>	<b>\$ 245,642,265</b>

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

**CITY OF SANTA FE, NEW MEXICO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2005**

	Major Funds			Other	Total
	General Fund	1/2% CIP GRT	Debt Service	Non Major Funds	Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 53,141,422	\$ 13,780,913	\$ -	\$ 24,366,850	\$ 91,289,185
Licenses and permits	2,727,092	-	-	-	2,727,092
Intergovernmental revenues	210,593	-	-	17,993,908	18,204,501
Fees and charges for services	3,200,013	-	-	3,976,227	7,176,240
Sale of capital assets	-	-	-	79,164	79,164
Fines and forfeitures	375,497	-	-	-	375,497
Rents, royalties and concessions	25,278	-	-	74,242	99,520
Investment income	362,395	-	72,561	1,359,112	1,794,068
Land sales	-	-	-	428,823	428,823
Other revenues	69,665	80,657	-	617,284	767,606
Total revenues	60,111,955	13,861,570	72,561	48,895,610	122,941,696
<b>Expenditures:</b>					
Current:					
General government	12,882,753	2,132,799	-	14,299,611	29,315,163
Public safety	27,796,068	-	-	2,703,678	30,499,746
Public works	3,837,757	-	-	2,495,377	6,333,134
Community development	5,572,576	-	-	5,274,242	10,846,818
Culture and recreation	6,982,497	-	-	3,076,456	10,058,953
Education	2,522,707	-	-	-	2,522,707
Total current expenditures	59,594,358	2,132,799	-	27,849,364	89,576,521
Capital outlay:					
General government	493,553	70,607	20,597	1,310,120	1,894,877
Public safety	528,370	-	-	1,627,511	2,155,881
Public works	201,018	-	-	4,707,596	4,908,614
Community development	13,782	-	-	291,965	305,747
Culture and recreation	84,346	-	-	2,284,568	2,368,914
Education	12,146	-	-	-	12,146
Total capital outlay expenditures	1,333,215	70,607	20,597	10,221,760	11,646,179
Debt service:					
Principal payments	-	-	7,600,000	213,894	7,813,894
Interest and fiscal agent fees	-	-	5,492,093	13,580	5,505,673
Total expenditures	60,927,573	2,203,406	13,112,690	38,298,598	114,542,267
Excess (deficiency) of revenues over expenditures	(815,618)	11,658,164	(13,040,129)	10,597,012	8,399,429
<b>Other financing sources (uses):</b>					
Transfers in	2,863,997	8,510	14,206,963	9,628,739	26,708,209
Transfers out	(3,642,470)	(10,582,279)	(3,213,550)	(22,249,444)	(39,687,743)
Other sources	-	-	1,466,667	250,000	1,716,667
Issuance of bonds					
Face value of bonds issued	-	-	8,470,000	-	8,470,000
Premium on issuance of bond	-	-	133,355	-	133,355
Payments to refund bond	-	-	(8,399,880)	-	(8,399,880)
Total other financing sources (uses)	(778,473)	(10,573,769)	12,663,555	(12,370,705)	(11,059,392)
Net change in fund balances	(1,594,091)	1,084,395	(376,574)	(1,773,693)	(2,659,963)
Fund balances, beginning of year (as restated)	22,639,092	25,391,971	4,128,579	51,658,008	103,817,650
<b>Fund balances, end of year</b>	<b>\$ 21,045,001</b>	<b>\$ 26,476,366</b>	<b>\$ 3,752,005</b>	<b>\$ 49,884,315</b>	<b>\$ 101,157,687</b>

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

**CITY OF SANTA FE, NEW MEXICO**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2005**

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

Net change in fund balances--total governmental funds	\$ (2,659,963)
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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.	3,016,530
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The net effect of various miscellaneous transactions involving capital assets  
Decrease in net assets:

Capital Contribution to the Railyard Enterprise Fund

Land	\$20,145,837
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WIP	303,145
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Increase in net assets:

Donation of Art	63,000	(20,385,982)
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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.	6,485,242
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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.	(601,450)
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Internal service funds are used by management to charge the costs of insurance to individual funds.	(601,758)
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The net revenue of certain activities of internal service funds is reported with governmental activities.	<div style="border-top: 1px solid black; border-bottom: 3px double black;">255,499</div>
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Change in net assets of governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ (14,491,882)</div>
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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, 2005**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
State-shared taxes:				
Gross receipts	\$ 34,454,200	\$ 35,015,474	\$ 34,757,572	\$ (257,902)
Cigarette	100,000	100,000	96,716	(3,284)
Automobile	340,000	340,000	366,113	26,113
Total state-shared taxes	34,894,200	35,455,474	35,220,401	(235,073)
Local taxes:				
Gross receipts	13,769,696	13,991,078	13,988,727	(2,351)
Property	1,675,000	1,675,000	1,646,328	(28,672)
Utility franchise	2,369,500	2,460,000	2,285,966	(174,034)
Total local taxes	17,814,196	18,126,078	17,921,021	(205,057)
Other Revenues:				
Licenses and permits	2,498,401	2,923,401	2,727,092	(196,309)
Intergovernmental revenue	90,000	236,726	210,593	(26,133)
Fees and charges for services	5,419,584	4,979,226	3,200,013	(1,779,213)
Fines and forfeitures	357,685	327,685	375,497	47,812
Royalties, rents and concessions	24,000	24,000	25,278	1,278
Investment income	340,000	340,000	362,395	22,395
Other revenues	48,000	48,000	69,665	21,665
Total Other Revenue	8,777,670	8,879,038	6,970,533	(1,908,505)
Total revenues	61,486,066	62,460,590	60,111,955	(2,348,635)
Expenditures:				
General government:				
Current:				
General government	2,217,612	2,497,126	1,798,647	698,479
Municipal court	818,447	839,332	831,276	8,056
City clerk	1,103,265	1,157,309	953,674	203,635
Information technology and telecommunication	3,343,259	3,478,764	3,226,314	252,450
Personnel	764,853	788,138	568,386	219,752
Finance	2,559,529	2,585,088	2,019,621	565,467
Planning	1,343,650	1,640,711	1,454,284	186,427
Facilities maintenance	1,994,165	2,089,710	1,745,090	344,620
Fleet maintenance	495,905	507,892	285,461	222,431
Total current	14,640,685	15,584,070	12,882,753	2,701,317
Capital outlay:				
General government	1,250	2,991	18,309	(15,318)
City clerk	2,370	64,088	48,910	15,178
Information technology and telecommunication	106,429	438,445	382,111	56,334
Personnel	850	1,250	781	469
Finance	5,478	19,213	19,032	181
Planning	3,901	6,321	6,282	39
Facilities maintenance	3,457	31,802	3,269	28,533
Fleet maintenance	-	15,000	14,859	141
Total capital outlay	123,735	579,110	493,553	85,557
Total general government	14,764,420	16,163,180	13,376,306	2,786,874

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

(continued)



**CITY OF SANTA FE, NEW MEXICO**  
**General Fund**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Public safety:				
Current:				
Police	16,719,457	16,950,242	17,097,681	(147,439)
Fire	10,468,925	10,721,431	10,698,387	23,044
Total current	27,188,382	27,671,673	27,796,068	(124,395)
Capital outlay:				
Police	20,059	499,328	444,533	54,795
Fire	18,700	118,572	83,837	34,735
Total capital outlay	38,759	617,900	528,370	89,530
Total public safety	27,227,141	28,289,573	28,324,438	(34,865)
Public works:				
Current:				
Administration	476,031	476,354	349,141	127,213
Highways, streets and roads	1,134,071	1,164,222	1,157,698	6,524
Traffic engineering	2,428,903	2,464,327	2,330,918	133,409
Total current	4,039,005	4,104,903	3,837,757	267,146
Capital outlay:				
Administration	1,900	3,366	2,437	929
Highways, streets and roads	-	225,000	195,041	29,959
Traffic engineering	-	3,540	3,540	-
Total capital outlay	1,900	231,906	201,018	30,888
Total public works	4,040,905	4,336,809	4,038,775	298,034
Community development:				
Current:				
Human needs	930,880	999,745	957,869	41,876
Senior citizens	734,924	746,713	770,963	(24,250)
Community services	1,050,579	1,055,814	1,023,634	32,180
Inspection	1,189,347	1,243,327	1,239,174	4,153
Zoning	1,763,657	1,778,472	1,580,936	197,536
Total current	5,669,387	5,824,071	5,572,576	251,495
Capital outlay:				
Human needs	1,500	2,988	169	2,819
Senior citizens	1,517	1,717	1,717	-
Community services	600	2,249	2,044	205
Inspection	500	500	468	32
Zoning	250	14,837	9,384	5,453
Total capital outlay	4,367	22,291	13,782	8,509
Total community development	5,673,754	5,846,362	5,586,358	260,004
Culture and recreation:				
Current:				
Parks/grounds maintenance	4,741,723	4,833,061	5,258,688	(425,627)
Recreation	1,714,965	1,741,485	1,723,809	17,676
Total current	6,456,688	6,574,546	6,982,497	(407,951)
Capital outlay:				
Parks/grounds maintenance	8,000	65,068	77,706	(12,638)
Recreation	3,510	6,945	6,640	305
Total capital outlay	11,510	72,013	84,346	(12,333)
Total culture and recreation	6,468,198	6,646,559	7,066,843	(420,284)

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

(continued)

CITY OF SANTA FE, NEW MEXICO  
General Fund  
Statement of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Education:				
Current:				
Libraries	2,591,955	2,653,184	2,522,707	130,477
Total current	2,591,955	2,653,184	2,522,707	130,477
Capital outlay:				
Libraries	6,175	13,050	12,146	904
Total capital outlay	6,175	13,050	12,146	904
Total education	2,598,130	2,666,234	2,534,853	131,381
Total expenditures	60,772,548	63,948,717	60,927,573	3,021,144
Excess (deficiency) of revenues over expenditures	713,518	(1,488,127)	(815,618)	672,509
Other financing sources (uses):				
Transfers in	2,750,071	2,863,997	2,863,997	-
Transfers out	(3,424,187)	(3,642,470)	(3,642,470)	-
Total other financing sources (uses)	(674,116)	(778,473)	(778,473)	-
Net change in fund balance	39,402	(2,266,600)	(1,594,091)	672,509
Fund balance, beginning of year (as restated)	22,639,092	22,639,092	22,639,092	-
<b>Fund balance, end of year</b>	<b>\$ 22,678,494</b>	<b>\$ 20,372,492</b>	<b>\$ 21,045,001</b>	<b>\$ 672,509</b>

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

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**CITY OF SANTA FE, NEW MEXICO**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2005**

	Business-type Activities - Enterprise Funds		
	Waste Water Management	Water Management	Municipal Recreation Complex
<b>Assets</b>			
Current assets:			
Cash, investments and cash equivalents	\$ 17,235,750	\$ 36,180,744	\$ 1,826,413
Grants receivable	-	1,150,011	-
Accounts receivable (net of allowances)	1,202,481	6,105,372	237,040
Interest receivable	88,208	176,168	12,829
Prepaid expenses	-	508,161	157,271
Total current assets	18,526,439	44,120,456	2,233,553
Noncurrent assets:			
Deferred charges (net of amortization)	-	4,842,800	-
Capital assets:			
Land and land rights	25,498	2,118,050	2,250,000
Buildings, structures and systems	14,644,379	10,434,968	1,675,554
Sewerlines	21,120,966	-	-
Improvements	19,181,556	68,308,614	13,336,226
Furniture and fixtures	25,509	578,669	-
Equipment and machinery	1,287,901	6,856,331	696,455
Vehicles	1,964,836	1,238,122	68,561
Intangible plant	-	57,625	-
Data processing equipment /software	182,394	741,357	115,122
Art	-	-	-
Construction in progress	1,934,086	21,938,813	446,643
Less accumulated depreciation	(33,493,164)	(31,671,882)	(10,272,703)
Total capital assets (net of accumulated depreciation)	26,873,961	80,600,667	8,315,858
Total noncurrent assets	26,873,961	85,443,467	8,315,858
<b>Total assets</b>	<b>45,400,400</b>	<b>129,563,923</b>	<b>10,549,411</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	358,650	1,353,072	22,164
Miscellaneous payable	61,588	217,418	6,080
Compensated absences payable	350,871	487,117	35,913
Accrued wages payable	139,274	233,931	15,262
Benefits payable	30,227	118,349	10,901
Claims and judgement payable	-	771	-
Bonds and notes payable - current portion	-	3,581,975	580,000
Accrued interest payable	-	296,769	44,800
Customer deposits payable	11,603	2,659,908	-
Other payable	-	-	-
Intangible deferred credit	-	1,225,528	-
Reserve held in trust	(6,833)	-	-
Total current liabilities	945,380	10,174,838	715,120
Noncurrent liabilities:			
Bonds payable (net of unamortized discounts)	-	57,680,526	15,450,000
Notes payable	-	1,004,449	-
Due to other funds	-	19,624,545	-
Total noncurrent liabilities	-	78,309,520	15,450,000
Total liabilities	945,380	88,484,358	16,165,120
<b>Net Assets</b>			
Invested in capital assets, net of related debt	26,873,961	18,490,692	(7,758,942)
Restricted for debt service	-	7,089,318	2,143,233
Unrestricted	17,581,059	15,499,555	-
<b>Total net assets</b>	<b>\$ 44,455,020</b>	<b>\$ 41,079,565</b>	<b>\$ (5,615,709)</b>

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

				Governmental Activities- Internal Service Funds	
Railyard Property	All Other Enterprise Funds	Totals			
\$ 6,199,390	\$ 15,392,328	\$ 76,834,625	\$ 11,451,162	Current assets:	
431,049	517,550	2,098,610	-	Cash, investments and cash equivalents	
-	1,508,280	9,053,173	9,514	Grants receivable	
15,794	73,905	366,904	57,204	Accounts receivable (net of allowance)	
-		665,432		Interest receivable	
				Prepaid expenses	
6,646,233	17,492,063	89,018,744	11,517,880	Total current assets	
				Noncurrent assets:	
-	-	4,842,800	-	Deferred charges (net of amortization)	
20,145,837	1,285,360	25,824,745	-	Capital assets:	
-	30,468,146	57,223,047	-	Land and land rights	
-	-	21,120,966	-	Buildings and systems	
-	6,921,456	107,747,852	-	Sewerlines	
-	191,942	796,120	5,520	Improvements	
-	4,093,249	12,933,936	23,012	Furniture and fixtures	
-	12,870,831	16,142,350	45,284	Equipment and machinery	
-	-	57,625	-	Vehicles	
-	1,384,250	2,423,123	33,151	Intangible plant	
-	180,971	180,971	-	Data processing equipment /software	
1,822,976	5,483,761	31,626,279	-	Art	
-	(22,316,494)	(97,754,243)	(99,737)	Construction in progress	
				Less accumulated depreciation	
21,968,813	40,563,472	178,322,771	7,230	Total capital assets (net of accumulated depreciation)	
21,968,813	40,563,472	183,165,571	7,230	Total noncurrent assets	
<b>28,615,046</b>	<b>58,055,535</b>	<b>272,184,315</b>	<b>11,525,110</b>	<b>Total assets</b>	
				<b>Liabilities</b>	
403,288	389,956	2,527,130	110,357	Current liabilities:	
-	78,051	363,137	-	Accounts payable	
-	1,277,287	2,151,188	59,588	Miscellaneous payable	
-	468,650	857,117	24,144	Compensated absences payable	
-	115,219	274,696	-	Accrued wages payable	
-	-	771	6,226,288	Benefits payable	
-	-	4,161,975	-	Claims and judgement payable	
34,718	-	376,287	-	Bonds and notes payable - current portion	
-	29,533	2,701,044	-	Accrued interest payable	
-	-	-	5,051	Customer deposits payable	
-	-	1,225,528	-	Other payable	
-	-	(6,833)	-	Intangible deferred credit	
				Reserve held in trust	
438,006	2,358,696	14,632,040	6,425,428	Total current liabilities	
-	-	73,130,526	-	Noncurrent liabilities:	
5,686,677	-	6,691,126	-	Bonds payable (net of unamortized discounts)	
-	-	19,624,545	-	Notes payable	
				Due to other funds	
5,686,677	-	99,446,197	-	Total noncurrent liabilities	
6,124,683	2,358,696	114,078,237	6,425,428	Total liabilities	
				<b>Net Assets</b>	
21,968,813	40,563,472	100,137,996	7,230	Invested in capital assets, net of related debt	
-	-	9,232,551	-	Restricted for debt service	
521,550	15,133,367	48,735,531	5,092,452	Unrestricted	
<b>\$ 22,490,363</b>	<b>\$ 55,696,839</b>	<b>\$ 158,106,078</b>	<b>\$ 5,099,682</b>	<b>Total net assets</b>	

**CITY OF SANTA FE, NEW MEXICO**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2005**

	Business-type Activities- Enterprise Funds		
	Waste Water Management	Water Management	Municipal Recreation Complex
<b>Operating revenues:</b>			
User fees	\$ 8,388,757	\$ 26,249,825	\$ 1,073,646
Facilities rentals	-	55,879	-
Other revenue	6,472	1,859,970	67,050
Total operating revenues	8,395,229	28,165,674	1,140,696
<b>Operating expenses:</b>			
Salaries, wages and benefits	3,827,690	6,652,078	378,549
Contractual services and utilities	606,448	3,154,837	212,469
Repairs and maintenance	467,147	926,181	10,129
Supplies	294,214	907,252	57,814
Capital outlay-inventory exempt items	6,355	99,448	-
Depreciation	3,156,999	3,362,040	1,431,653
Amortization expense	-	-	8,778
Insurance	656,648	467,515	907
Other	508,407	1,087,142	195,038
Total operating expenses	9,523,908	16,656,493	2,295,337
Operating income (loss)	(1,128,679)	11,509,181	(1,154,641)
<b>Non-operating revenues (expenses):</b>			
Investment income	412,843	928,456	78,862
Intergovernmental	-	1,339,601	-
Gain (loss) on sale of capital assets	2,236	7,583	-
Interest expense	-	(3,990,512)	(967,933)
Other non operating revenue	-	184,318	-
Total non-operating revenues (expenses)	415,079	(1,530,554)	(889,071)
Income(loss) before transfers	(713,600)	9,978,627	(2,043,712)
Transfers in	-	969,743	1,138,349
Transfers out	(33,333)	(884,743)	(10,000)
Capital contributions	-	-	-
Change in net assets	(746,933)	10,063,627	(915,363)
Total net assets, beginning of year	45,201,953	31,015,938	(4,700,346)
<b>Total net assets-end of year</b>	<b>\$ 44,455,020</b>	<b>\$ 41,079,565</b>	<b>\$ (5,615,709)</b>

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

<b>Railyard Property</b>	<b>All Other Enterprise Funds</b>	<b>Totals</b>	<b>Governmental Activities- Internal Service Funds</b>	
\$ -	\$ 14,347,684	\$ 50,059,912	\$ -	User fees
737,700	658,907	1,452,486	-	Facilities rentals
-	675,419	2,608,911	19,062,589	Other revenue
737,700	15,682,010	54,121,309	19,062,589	Total operating revenues
4,372	12,826,302	23,688,991	651,116	Salaries, wages and benefits
-	3,416,699	7,390,453	638,848	Contractual services and utilities
-	786,690	2,190,147	1,176	Repairs and maintenance
-	1,184,920	2,444,200	99,877	Supplies
-	242,017	347,820	-	Capital outlay-inventory exempt items
-	2,861,068	10,811,760	3,284	Depreciation expense
-	14,175	22,953	-	Amortization expense
-	757,240	1,882,310	17,956,913	Insurance
-	1,903,619	3,694,206	29,953	Other
4,372	23,992,730	52,472,840	19,381,167	Total operating expenses
733,328	(8,310,720)	1,648,469	(318,578)	Operating income (loss)
111,439	290,475	1,822,075	255,499	Investment income
412,659	1,773,914	3,526,174	-	Intergovernmental
-	(52,944)	(43,125)	-	Gain (loss) on sale of capital assets
(168,852)	(34,288)	(5,161,585)	-	Interest expense
-	-	184,318	-	Other non operating revenue
355,246	1,977,157	327,857	255,499	Total non-operating revenues (expenses)
1,088,574	(6,333,563)	1,976,326	(63,079)	Income(loss) before transfers
3,665,894	10,835,256	16,609,242	-	Transfers in
(2,409,942)	(8,510)	(3,346,528)	(283,180)	Transfers out
20,145,837	-	20,145,837	-	Capital contributions
22,490,363	4,493,183	35,384,877	(346,259)	Change in net assets
-	51,203,656	122,721,201	5,445,941	Total net assets, beginning of year
<b>\$ 22,490,363</b>	<b>\$ 55,696,839</b>	<b>\$ 158,106,078</b>	<b>\$ 5,099,682</b>	<b>Total net assets, end of year</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2005**

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Waste Water Management</b>	<b>Water Management</b>	<b>Municipal Recreation Complex</b>
Cash flows from operating activities:			
Cash received from customers	\$ 8,421,279	\$ 29,807,202	\$ 1,235,652
Cash received from interfund services provided and used	-	-	-
Cash payments to suppliers for goods and services	(1,813,025)	(6,038,957)	(468,516)
Cash paid for interfund services provided and used	(473,129)	(631,731)	-
Cash payments to employees for services	(3,777,636)	(6,573,629)	(380,635)
Net cash provided (used) by operating activities:	2,357,489	16,562,885	386,501
Cash flows from noncapital financing activities:			
Intergovernmental	-	2,836,361	-
Transfers-in from other funds	-	969,743	1,138,349
Transfers-out to other funds	(33,333)	(884,743)	(10,000)
Net cash provided (used) by noncapital financing activities	(33,333)	2,921,361	1,128,349
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(1,355,472)	(4,895,084)	(26,300)
Proceeds from sale of capital assets	2,236	4,934	-
Principal paid on revenue bond maturities and notes payable	-	(3,471,025)	(545,000)
Interest paid on revenue bonds and notes payable	-	(3,789,254)	(923,133)
Net cash used for capital and related financing activities	(1,353,236)	(12,150,429)	(1,494,433)
Cash flows from investing activities:			
Interest and dividends on investments	389,501	1,008,359	66,983
Net cash provided by investing activities	389,501	1,008,359	66,983
Net increase (decrease) in cash and cash equivalents	1,360,421	8,342,176	87,400
Cash, investments and cash equivalents at beginning of year	15,875,329	27,838,568	1,739,013
<b>Cash, investments and cash equivalents at end of year</b>	<b>\$ 17,235,750</b>	<b>\$ 36,180,744</b>	<b>\$ 1,826,413</b>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (1,128,679)	\$ 11,509,181	\$ (1,154,641)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation/amortization	3,156,999	3,362,040	1,440,431
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	32,750	216,957	94,956
(Increase) decrease in prepaid expenses	-	82,636	8,778
Increase (decrease) in accounts payable	251,665	(110,949)	(937)
Increase (decrease) in other payable	-	-	-
Increase (decrease) in compensated absences payable	32,738	(69,676)	(5,323)
Increase (decrease) in accrued wages payable	17,316	34,619	3,237
Increase (decrease) in benefits payable	-	113,506	-
Increase (decrease) in escrow	(5,300)	1,424,571	-
(Increase) decrease in claims payable	-	-	-
Total adjustments	3,486,168	5,053,704	1,541,142
<b>Net cash provided (used) by operating activities</b>	<b>\$ 2,357,489</b>	<b>\$ 16,562,885</b>	<b>\$ 386,501</b>

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



Railyard Property	All Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds		
\$ 737,700	\$ 15,736,907	\$ 55,938,740	\$ 13,675,088	Cash flows from operating activities:	
-	-	-	5,379,452	Cash received from customers	
-	(6,976,944)	(15,297,442)	(17,854,852)	Cash received from interfund services provided and used	
-	(1,256,081)	(2,360,941)	-	Cash payments to suppliers for goods and services	
(4,372)	(12,656,151)	(23,392,423)	(628,867)	Cash paid for interfund services provided and used	
733,328	(5,152,269)	14,887,934	570,821	Cash payments to employees for services	
				Net cash provided (used) by operating activities:	
6,071,575	1,444,134	10,352,070	-	Cash flows from noncapital financing activities:	
3,665,894	10,835,256	16,609,242	-	Intergovernmental	
(2,409,942)	(8,510)	(3,346,528)	(283,180)	Transfers-in from other funds	
7,327,527	12,270,880	23,614,784	(283,180)	Transfers-out to other funds	
				Net cash provided (used) by noncapital financing activities	
(1,822,976)	(1,910,306)	(10,010,138)	-	Cash flows from capital and related financing activities:	
-	26,062	33,232	-	Acquisition and construction of capital assets	
-	(779,462)	(4,795,487)	-	Proceeds from sale of capital assets	
(134,134)	(34,288)	(4,880,809)	-	Principal paid on revenue bond maturities and notes payable	
				Interest paid on revenue bonds and notes payable	
(1,957,110)	(2,697,994)	(19,653,202)	-	Net cash used for capital and related financing activities	
95,645	262,132	1,822,620	242,894	Cash flows from investing activities:	
95,645	262,132	1,822,620	242,894	Interest and dividends on investments	
6,199,390	4,682,749	20,672,136	530,535	Net cash provided by investing activities	
-	10,709,579	56,162,489	10,920,627	Net increase (decrease) in cash and cash equivalents	
\$ 6,199,390	\$ 15,392,328	\$ 76,834,625	\$ 11,451,162	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:	
\$ 733,328	\$ (8,310,720)	\$ 1,648,469	\$ (318,578)	Operating income (loss)	
-	2,875,243	10,834,713	3,284	Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
-	54,897	399,560	(8,049)	Depreciation/amortization	
-	14,175	105,589	-	Change in assets and liabilities:	
-	41,090	180,869	28,293	(Increase) decrease in accounts receivable	
-	-	-	(6,504)	(Increase) decrease in prepaid expenses	
-	98,698	56,437	14,029	Increase (decrease) in accounts payable	
-	71,453	126,625	8,220	Increase (decrease) in other payable	
-	2,895	116,401	-	Increase (decrease) in compensated absences payable	
-	-	1,419,271	-	Increase (decrease) in accrued wages payable	
-	-	-	850,126	Increase (decrease) in benefits payable	
-	-	-	-	Increase (decrease) in escrow	
-	-	-	-	(Increase) decrease in claims payable	
-	3,158,451	13,239,465	889,399	Total adjustments	
\$ 733,328	\$ (5,152,269)	\$ 14,887,934	\$ 570,821	Net cash provided (used) by operating activities	

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

**I. Summary of significant accounting policies**

**A. Reporting entity**

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

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

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

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

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 “State and Local Government Financial Reporting Model” which was effective for the City’s fiscal year ending June 30, 2002. As a result, there has been a major change in how the City presents its financial statements.

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

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

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 fund financial statement.

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

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 10<sup>th</sup> and April 10<sup>th</sup>. The County remits to the City a percentage of the collections made during the month. Taxes are considered delinquent and subject to lien, penalty and interest, 30 days after the date on which they are due.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

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.

The ½% CIP GRT Fund accounts for the City's portion of gross receipts taxes collected by the State of New Mexico per Ordinance No. 1981-45.

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 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 Municipal Recreation Complex (MRC) Fund, accounts for the operation of the City's golf course and adjoining recreation facilities.

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 Genoveva Chavez Community Center (GCCC) Fund was previously reported as a major fund and is now reclassified as a non-major fund.

Additionally, the City reports the following fund types:

Internal service funds account for the City's Santa Fe Health Fund, Retiree Health Care Fund, Risk Management Fund and Workers' Compensation Fund 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

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

charges between the utilities functions and insurance functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating 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. Changes in accounting principles and prior period adjustments**

For fiscal years 04/05, the City implemented the following:

- GASB Statement No. 40, *Deposits and Investment Risk Disclosures – an amendment of GASB Statement No 3. (Issued 3/03).*

There were two prior period adjustments. One was to reclassify a portion of compensated absences from current to long term debt and the second related to an error in the calculation method of depreciation for certain capital assets previously reported.

	<b>General Fund</b>	<b>Governmental Net Assets</b>	<b>Long Term Debt</b>
Net Assets - June 30, 2004	\$ 20,956,500	\$ 260,836,643	\$ 3,216,992
Prior Period Adjustments:			
Compensated Liability (Increase) Decrease	1,682,592	-	1,682,592
Adjustment to value of capital assets	-	(702,496)	-
Net Assets - June 30, 2004 (as restated)	<b>\$ 22,639,092</b>	<b>\$ 260,134,147</b>	<b>\$ 4,899,584</b>

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

**E. Assets, liabilities and net assets or equity**

1. Deposits and investments
2. 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, 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. 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 seven years.

This provides for the following authorized investments:

1. United States Treasury Securities (Bills, Notes and Bonds).
3. Insured and/or collateralized (with U.S. Government Securities and/or New Mexico Bonds) certificates of deposit of banks, savings, and loan associations, and credit unions, pursuant to State Board of Finance Collateral Policies.
4. 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 Farm Credit Bank, or the Student Loan Marketing Assoc., or are backed by the full faith and credit of the United States Government.
5. Money market funds whose portfolios consist entirely of United States Government Securities or agencies sponsored by the United States Government.
6. Investments in the New Mexico State Treasurer external investment pool (Local Government Investment Pool).
  - (a) The investments are valued at fair value based on quoted market prices as of the evaluation date;

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

- (b) The State Treasurer Local Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments;
  - (c) The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the accounting entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested; and
  - (d) Participation in the local government investment pool is voluntary.
7. Repurchase agreements and forward purchase agreements with equivalent collateral of at least one hundred two percent of the market value of the securities plus accrued interest.

Interest earnings on pooled investments are distributed monthly to all participating funds based on the funds average daily cash balance. Investments for the City, as well as for its component unit, 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 uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles.

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

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

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

**3. Inventories and prepaid items**

Inventories are valued at cost, which approximates market using the first-in, first-out (FIFO) method. Expenditures in governmental funds and expenses in proprietary funds are recorded as the inventory items are consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**4. 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. Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. Capital assets, if purchased or constructed, are recorded at historical costs or estimated historical cost if original cost was not available. Donated capital assets are recorded at estimated fair value at the date of donation. City land acquired prior to 1987 was primarily by land grant or donation and is estimated to be 4,217 acres. Because original values are unknown, the parcels are valued at one dollar each.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense, net of amortization, incurred by the Water Management during the current fiscal year was \$3,990,512. Of this amount, \$264,571 was included as part of the cost of capital assets under construction in connection with water facilities construction projects. Collections are capitalized but not depreciated. The City determined collections will increase in value.

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



**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

<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	25
Furniture and Fixtures	10	Software	10
Data Processing Equipment	3	Solid Waste Trucks	4
Streets	25	Sewer Rodder/Vactors	10
Traffic Signals	10		

**5. 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.

**6. 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.

**7. Fund equity**

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

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

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

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

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 payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the \$ 118,013,635 difference are as follows:

Bonds Payable	\$ 109,910,000
Plus: Bond premium (to be amortized as interest expense)	1,473,816
Arbitrage Rebate Payable	3,805
Capital Leases Payable	110,959
Intergovernmental Payable	1,466,667
Sub - Total	<u>112,965,247</u>
Compensated Absences	5,048,388
Net Adjustment to reduce <i>fund balance - total governmental funds</i>	<u><u>\$ 118,013,635</u></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.” Also, there was a capital contribution from the governmental net assets to the business-type net assets and an adjustment to the value of fixed assets. The details of the \$ 3,016,530 and \$20,385,982 difference are as follows:

Capital Outlay	\$ 11,646,179
Less: Capital Outlay - Inventory Exempt	(1,316,442)
Depreciation Expense	<u>(7,313,207)</u>
Net Adjustment to Increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 3,016,530</u></u>
Capital contribution to Railyard Property	\$ (20,145,837)
WIP	(303,145)
Donation of Art	<u>63,000</u>
Net Adjustment to Decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (20,385,982)</u></u>

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 \$ 6,485,242 difference are as follows:

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

Debt issued or incurred:	
Issuance of revenue bonds plus premium	\$ (8,603,355)
Loan agreement - NMFA	(1,166,667)
Loan agreement - HUD	(300,000)
Deferred bond costs	433,354
Principal Repayments:	
Revenue bond debt	15,770,000
Capital lease payments	351,910
Net Adjustment to <i>decrease net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u><u>\$ 6,485,242</u></u>

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 \$(601,450) difference are as follows:

Compensated Absences	\$ (148,804)
Interest Payable	(466,374)
Amortization of bond premiums	138,098
Amortization of deferred charges	(124,370)
Net Adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u><u>\$ (601,450)</u></u>

### **III. Stewardship, compliance and accountability**

#### **A. Budgetary information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year end.

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

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

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

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

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 Housing Authority's budget (for the PHA-Locally Owned and Home Ownership Opportunity Programs and the Section 8 Housing Programs) is prepared by management. The Housing Authority is included in the combined financial statements as a component unit.

The Santa Fe Housing Development Corporation's 18-month budget is prepared and approved by the Housing Authority's governing board. The Corporation is included in the combined financial statements as a component unit.

The appropriated budget is prepared by fund, function and department. The City manager may approve requested transfers of appropriations within a fund for amounts less than \$20,000. Transfers of appropriations in excess of \$20,000 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 fund, department and category level. The City council approved supplemental budgetary appropriations during the fiscal year, primarily for new grant awards and additional project funds, which did not materially affect cash reserves of related funds.

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

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

For the year ended June 30, 2005, expenditures/expenses exceeded appropriations in the following funds:

The Santa Fe Health Fund, reported as an Internal Service Fund, is reporting excess expenses over appropriations of \$275,829. Part of this deficit was caused by medical payments which exceed anticipated costs. The balance of the amount over-expended was funded by available cash balance.

The Workers' Compensation Fund, reported as an Internal Service Fund, is reporting excess expenses over appropriations of \$73,766. Part of this deficit was caused by medical payments which exceed anticipated costs. The balance of the amount over-expended was funded by available cash balance.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

The Municipal Recreation Complex, reported as an Enterprise Fund, is reporting excess expenses over appropriations of \$1,139,937. This was caused by depreciation expense which is a non– budgeted item.

The Genoveva Chavez Community Center, reported as an Enterprise Fund, is reporting excess expenses over appropriations of \$2,390. This was caused by depreciation expense which is a non – budgeted item.

**C. Deficit fund equity**

The Municipal Recreation Complex, reported as an Enterprise Fund, has deficit fund equity of \$5,615,709 as of June 30, 2005. The deficit is the result of a portion of the bond proceeds being required for start-up costs, including capitalized interest and working capital. In addition, retained earnings were reduced by the current year depreciation.

The Watershed Clearing, reported as a Special Revenue Fund, has deficit fund equity of \$278 as of June 30, 2005. The deficit is a result of investment income not materializing.

The Cielo Azul, reported as a Component Unit Enterprise Fund, has deficit fund equity of \$40,841. The deficit is due to the activity being a start-up development for the Housing Authority in 2005. This deficit is expected to be recovered as a result of on-going operations.

**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 \$13,278,563 and the year-end bank balance was \$16,110,839. The total of demand deposits and short term-term certificates of deposit were covered by Federal Depository Insurance or by collateral held by the City's agent in the City's name. 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, 2005 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 or by collateral held by the City's agent in the City's name.

The carrying amount of deposits for the Housing Authority, presented as a component unit, was \$2,290,698 and the bank balance was \$3,104,089. All bank balances were covered by Federal Depository Insurance or by collateral held by the City's agent in the Housing Authority's name with the exception of one account which was under-collateralized by \$10,548 and, therefore, exposed to custodial credit risk. The situation has since been corrected.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

**B. Investments**

As of June 30, 2005, the City had the following investments and maturities:

	Fair Value	Maturities			
		Less than 1 year	1 - 3 years	3 - 5 years	5 - 7 years
At interest rate risk:					
U. S. Treasury bonds	\$ 7,524,674	\$ 5,027,670	\$ 986,840	\$ 1,510,164	\$ -
U. S. Government Agency bonds	71,985,567	6,243,686	42,197,486	22,402,572	1,141,823
NM Municipal bonds	2,927,413	773,856	723,992	1,429,565	-
Forward Purchase Agreements	88,003	88,003	-	-	-
	<u>82,525,657</u>	<u>\$ 12,133,215</u>	<u>\$ 43,908,318</u>	<u>\$ 25,342,301</u>	<u>\$ 1,141,823</u>
Not at interest rate risk:					
Money Market Funds	44,364,973				
State Treasurer's Pool	<u>29,000,000</u>				
Total Investments	<u>\$ 155,890,630</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 maturities of seven years.

*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 which permits investing in commercial paper and corporate notes. However, 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 State Treasurer's Investment Pool, and New Mexico municipal securities.

*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 risks from concentrating investments in specific security types and individual financial institutions. The City's 87% investment in U.S. Government Agencies is distributed as follows: Federal Home Loan Bank 55.2%, Federal National Mortgage Assoc. 18.3%, Federal Home Loan Mortgage Corp. 15.1%, Private Export Funding Corp. 8.0%, Agency for International Development 1.64% and Government National Mortgage Assn. 1.58%. U.S. Treasuries and N.M. Municipal bonds represent 9.1% and 3.5% of the total portfolio, respectively. The Agency securities are rated Aaa by Moody's and AAA by Standard and Poor's.

The Housing Authority, presented as a component unit, had no at-risk investments at June 30, 2005.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

**C. Receivables**

Receivables at June 30, 2005 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	1/2% CIP GRT	Debt Service	Waste water Mgmt	Water Mgmt	MRC	Railyard Property	Nonmajor and Other Funds	Total
Receivables:									
Taxes	\$ 9,232,205	\$ 2,432,843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,964,916	\$ 14,629,964
Assessments	162,152	-	-	-	-	-	-	-	162,152
Grants	72,466	-	-	-	1,150,011	-	431,049	3,620,754	5,274,280
Accounts	-	-	-	1,757,880	8,709,525	237,040	-	2,085,075	12,789,520
Interest	74,588	-	32,556	88,208	176,168	12,829	15,794	408,250	808,393
Ambulance	7,225,779	-	-	-	-	-	-	-	7,225,779
Other	43,779	-	-	-	-	-	-	3,606,380	3,650,159
Gross Receivables	16,810,969	2,432,843	32,556	1,846,088	10,035,704	249,869	446,843	12,685,375	44,540,247
Less: Allowance									
Uncollectible:	(3,921,531)	-	-	(555,399)	(2,604,153)	-	-	(567,281)	(7,648,364)
Total Primary Government	12,889,438	2,432,843	32,556	1,290,689	7,431,551	249,869	446,843	12,118,094	36,891,883
Component Units:									
Grants and tenants	-	-	-	-	-	-	-	205,855	205,855
Other	-	-	-	-	-	-	-	12,684	12,684
Total Component Units:	-	-	-	-	-	-	-	218,539	218,539

Governmental funds report *unearned 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 *unearned revenue* reported in the governmental funds were as follows:

	Unearned
Land Sale Contract - (Special Revenue)	\$ 3,051,307
Special Assessments-(Special Revenue)	74,775
Special Assessments-(General Fund)	8,983
Reimbursement of Gas line extension - (General Fund)	43,779
Liquor Licenses - (General Fund)	52,277
Total Unearned Revenue for Governmental Funds	<u>\$ 3,231,121</u>

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

**D. Capital assets**

Capital asset activity for the year ended June 30, 2005 was as follows:

**Primary Government**

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$ 182,642,409	\$ 2,708	\$ (20,145,837)	\$ 162,499,280
Construction in Progress	11,326,106	6,827,945	(303,145)	17,850,906
Art	859,920	63,000	-	922,920
Total Capital Assets not being Depreciated	194,828,435	6,893,653	(20,448,982)	181,273,106
Capital Assets being Depreciated:				
Buildings	33,309,208	27,714	-	33,336,922
Improvements	18,877,006	-	-	18,877,006
Equipment, Machinery, Utility, Systems	12,814,817	835,378	-	13,650,195
Furniture and Fixtures	626,768	6,099	-	632,867
Vehicles	12,325,562	1,964,128	-	14,289,690
Data Processing and Software	5,652,072	665,765	-	6,317,837
Traffic Signals	20,727,445	-	-	20,727,445
Streets	165,550,764	-	-	165,550,764
Total Capital Assets being Depreciated	269,883,642	3,499,084	-	273,382,726
Less: Accumulated Depreciation for:				
Buildings	(5,814,881)	(586,256)	-	(6,401,137)
Improvements	(10,273,251)	(1,241,591)	-	(11,514,842)
Equipment and Machinery	(9,051,843)	(961,567)	-	(10,013,410)
Furniture and Fixtures	(436,845)	(42,937)	-	(479,782)
Vehicles	(9,170,324)	(941,356)	-	(10,111,680)
Data Processing and Software	(4,116,847)	(603,971)	-	(4,720,818)
Traffic Signals	(15,743,400)	(1,013,233)	-	(16,756,633)
Streets	(136,020,650)	(1,925,580)	-	(137,946,230)
Total Accumulated Depreciation	(190,628,041)	(7,316,491)	-	(197,944,532)
Total Capital Assets being Depreciated	79,255,601	(3,817,407)	-	75,438,194
Governmental Activities Capital Assets	\$ 274,084,036	\$ 3,076,246	\$ (20,448,982)	\$ 256,711,300



**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
Capital Assets not being Depreciated:				
Land	\$ 5,673,907	\$ 20,150,838	-	\$ 25,824,745
Construction in Progress	22,968,391	8,657,888	-	31,626,279
Art	185,971	-	(5,000)	180,971
Total Assets not being Depreciated	28,828,269	28,808,726	(5,000)	57,631,995
Capital Assets being Depreciated:				
Buildings and Structures	57,071,171	151,876	-	57,223,047
Improvements	107,610,174	137,678	-	107,747,852
Sewerlines	21,120,966	-	-	21,120,966
Equipment and Machinery	13,008,503	371,786	(446,353)	12,933,936
Furniture and Fixtures	730,268	65,852	-	796,120
Vehicles	16,384,111	680,816	(922,577)	16,142,350
Intangible Plant	57,625	-	-	57,625
Data Processing	1,412,934	165,185	(66,578)	1,511,541
Software	691,523	220,059	-	911,582
Total Assets being Depreciated	218,087,275	1,793,252	(1,435,508)	218,445,019
Less Accumulated Depreciation for:				
Buildings and Structures	(18,601,187)	(1,205,773)	-	(19,806,960)
Improvements	(36,341,081)	(6,296,907)	-	(42,637,988)
Sewerlines	(11,114,541)	(499,670)	-	(11,614,211)
Equipment and Machinery	(10,438,098)	(827,272)	363,454	(10,901,916)
Furniture and Fixtures	(533,616)	(73,272)	-	(606,888)
Vehicles	(10,076,248)	(1,537,537)	916,322	(10,697,463)
Intangible Plant	(54,592)	(3,033)	-	(57,625)
Data Processing	(849,473)	(299,422)	53,435	(1,095,460)
Software	(266,858)	(68,874)	-	(335,732)
Total Accumulated Depreciation	(88,275,694)	(10,811,760)	1,333,211	(97,754,243)
Total Capital Assets being Depreciated	129,811,581	(9,018,508)	(102,297)	120,690,776
Business-type Activities Capital Assets	<b>\$ 158,639,850</b>	<b>\$ 19,790,218</b>	<b>\$ (107,297)</b>	<b>\$ 178,322,771</b>

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

**Discretely presented component unit:**

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets not being Depreciated:				
Land	\$ 290,852	\$ 300,000	\$ -	\$ 590,852
Construction In Progress	159,844	437,650	-	597,494
Total Capital Assets not being Depreciated	450,696	737,650	-	1,188,346
Capital Assets being Depreciated:				
Buildings and Improvements	22,299,746	1,868,021	-	24,167,767
Furniture and Fixtures	243,759	-	-	243,759
Vehicles	166,662	36,037	-	202,699
Machinery and Equipment	129,608	25,003	-	154,611
Total Capital Assets being Depreciated	22,839,775	1,929,061	-	24,768,836
Less: Accumulated Depreciation For:				
Buildings	(13,517,853)	(923,348)	-	(14,441,201)
Furniture and Fixtures	(238,400)	(5,359)	-	(243,759)
Machinery and Equipment	(87,085)	(18,130)	-	(105,215)
Vehicles	(122,198)	(24,107)	-	(146,305)
Total Accumulated Depreciation	(13,965,536)	(970,944)	-	(14,936,480)
Total Capital Assets being Depreciated, Net	8,874,239	958,117	-	9,832,356
Discretely Presented Component Unit				
Capital Assets, Net	<u>\$ 9,324,935</u>	<u>\$ 1,695,767</u>	<u>\$ -</u>	<u>\$ 11,020,702</u>

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

**Governmental Activities:**

General Government	\$ 1,243,245
Public Safety	438,792
Highways and Street, excluding depreciation of general infrastructure assets	5,265,509
Community Welfare	73,132
Culture and Recreation	292,529
Subtotal	<u>7,313,207</u>
Capital Assets held by the City's Internal Service Funds are charged to the various functions based on their usage of the Assets	3,284
Total Depreciation Expense - Governmental Activities	<u><u>\$ 7,316,491</u></u>

**Business - Type Activities:**

Sweeney Convention Center	\$ 14,138
Parking Operations	315,540
Solid Waste Management	886,861
Wastewater Management	3,156,999
Water Management	3,362,040
Municipal Recreation Center	1,431,653
Genoveva Chavez Community Center	498,663
Airport	280,710
Transit Operations	865,156
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 10,811,760</u></u>

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

**Construction commitments:**

The City has active construction projects as of June 30, 2005. The projects include street and highway construction, parks and recreation, municipal facilities, airport improvements, and water division facilities improvements, community welfare, wastewater management and railyard infrastructure. At year end the City's commitments with contractors are as follows:

<b>Project</b>	<b>Spent to Date</b>	<b>Remaining Commitments</b>
Street and Highway Construction	\$ 3,450,285	\$ 707,298
Parks and Recreation	26,035,366	1,772,245
Municipal Facilities Improvements	2,917,439	989,844
Railyard Infrstructure	2,419,979	858,997
Airport Improvements	7,435,664	600,120
Community Welfare	432,589	246,248
Wastewater Management	6,144,872	2,623,119
Water Division Improvements	23,270,601	4,079,689
Total	<u><u>\$ 72,106,795</u></u>	<u><u>\$ 11,877,560</u></u>

The commitment for streets and highways is being financed by grants from Federal Highway Administration, New Mexico Highway and Transportation Department, gross receipts tax revenue bonds and existing resources from aerial photo fund, sewer line extension fund, economic development fund and Tierra Contenta fund, and capital improvements project fund (CIP). 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 Tierra Contenta fund. The commitment for Municipal facilities is being financed by capital improvement project fund and bond issues. The commitment for the Airport is financed by the Federal Aviation Administration, bond issue and capital improvement project fund and from the NM Highway and Transportation Department. Community welfare is being financed by a grant from the NM State Agency on Aging. Commitments for the Wastewater treatment facility are financed by revenue bonds secured by sewer revenues and existing resources from the CIP 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 Mortgage Authority. Commitments for the waste water treatment facility are financed by revenue bonds secured by gross receipts revenues and existing resources from the CIP fund. The commitments for the Landfill are financed by a bond issue.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

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

The composition of interfund balances as of June 30, 2005, is as follows:

	<b>Due From Other Funds</b>	<b>Due To Other Funds</b>
Primary Government:		
General Fund		
Special Revenue Funds:		
Affordable Housing	\$ 21,852	\$ -
Senior Citizen Grants	560,403	-
Community Development	218,780	-
Watershed Clearing	278	-
Library Grants	52,089	-
Capital Improvement Funds:		
Museums	126,197	-
Special Revenue Funds:		
General Fund	-	853,402
Capital Projects Funds		
General Fund	-	126,197
Enterprise:		
Water Management	19,624,545	-
Enterprise Funds		
Capital Project Funds:		
1/2% Gross Receipts Tax	-	19,624,545
Total All Funds	<b>\$ 20,604,144</b>	<b>\$ 20,604,144</b>
Component Unit:		
Enterprise Funds		
Housing Authority		
Santa Fe Housing Development Corporation	38,870	-
La Cienegita	3,399	-
Cielo Azul	792	-
Section 8 - Voucher	-	9,252
Santa Fe Housing Development Corporation:		
Housing Authority	-	38,870
Cielo Azul	500,000	-
Section 8 - Voucher		
Housing Authority	9,252	-
Cielo Azul		
Housing Authority	-	792
Santa Fe Housing Development Corporation	-	500,000
La Cieneguita		
Housing Authority	-	3,399
Total All Funds	<b>\$ 552,313</b>	<b>\$ 552,313</b>

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

Inter-fund transfers:

<b>Transfer In From</b>							
<b>Fund Disbursing</b>	<b>General Fund</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Enterprise Funds</b>	<b>Internal Service</b>	<b>Total</b>
General Fund	\$ -	\$ 3,611,249	\$ -	\$ -	\$ 31,221	\$ -	\$ 3,642,470
Special Revenue	2,241,548	2,233,299	824,282	2,635,470	11,815,796	-	19,750,395
Capital Projects	314,116	40,969	1,868,273	9,161,551	1,696,419	-	13,081,328
Debt Service	-	1,050,667	-	-	2,162,883	-	3,213,550
Enterprise Funds	33,333	-	8,510	2,409,942	894,743	-	3,346,528
Internal Service	275,000	-	-	-	8,180	-	283,180
Total	\$ 2,863,997	\$ 6,936,184	\$ 2,701,065	\$ 14,206,963	\$ 16,609,242	\$ -	\$ 43,317,451

<b>Transfer Out To</b>							
<b>Fund Disbursing</b>	<b>General Fund</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Debt Service</b>	<b>Enterprise Funds</b>	<b>Internal Service</b>	<b>Total</b>
General Fund	\$ -	\$ 2,241,548	\$ 314,116	\$ -	\$ 33,333	\$ 275,000	\$ 2,863,997
Special Revenue	3,611,249	2,233,299	40,969	1,050,667	-	-	6,936,184
Capital Projects	-	824,282	1,868,273	-	8,510	-	2,701,065
Debt Service	-	2,635,470	9,161,551	-	2,409,942	-	14,206,963
Enterprise Funds	31,221	11,815,796	1,696,419	2,162,883	894,743	8,180	16,609,242
Internal Service	-	-	-	-	-	-	-
Total	\$ 3,642,470	\$ 19,750,395	\$ 13,081,328	\$ 3,213,550	\$ 3,346,528	\$ 283,180	\$ 43,317,451

The City has numerous interfund transactions during the course of the fiscal year. These transactions are treated as follows:

1. Inter-fund services provided and used are accounted for as revenues and expenditures/expenses in the funds involved. These types of transactions include administrative overhead charges that are charged to various City departments for services that are being provided (data processing, accounting, personnel, etc.). This also includes insurance premiums charged to the various City departments by the City's Risk Management Fund which contracts with a third – party insurance carrier.
2. Reimbursements are recorded as expenditures/expenses in the reimbursing fund and as reductions of the expenditure/expense in the fund that is being reimbursed. Transactions which constitute reimbursements are expenditures/expenses of one fund that are properly applicable to another fund.
3. Transfers of resources from a fund receiving revenue to the fund where the resources are to be expended are recorded as other financing sources/uses and include only operating transfers which are legally authorized between funds.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

**E. Leases**

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of vehicles and communications equipment for the general fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Equipment and Machinery	\$ 1,145,643
Less: Accumulated Depreciation	(845,594)
Total	<u><u>\$ 300,049</u></u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2005, are as follows;

<b>Year Ending June 30,</b>	<b>General Fund</b>
2006	\$ 113,528
Total Minimum Lease Payment	113,528
Less: Amount Representing Interest	(2,569)
Present Value of Minimum Lease Payments	<u><u>\$ 110,959</u></u>

Operating Leases

The City has operating leases for certain buildings, transit equipment and data processing equipment. The library's Book-Stop space at the Villa Linda Mall and a copier are the only non-cancelable leases, requiring only payments for monthly common use charges. The remaining operating leases are renewable annually contingent upon available appropriations. Total costs for such leases were \$959,636 for year ended June 30, 2005. The minimum annual payments are as follows:

<b>Fiscal Year</b>	<b>General Fund</b>	<b>Parking</b>	<b>MRC</b>	<b>Water</b>	<b>CIP Administration</b>
2005	\$ 378,421	\$ 311,843	\$ 3,329	\$ 18,315	\$ 247,728
2006	43,934	277,187	-	10,817	7,200
2007	37,405	70,960	-	-	-
Total	<u><u>\$ 459,760</u></u>	<u><u>\$ 659,990</u></u>	<u><u>\$ 3,329</u></u>	<u><u>\$ 29,132</u></u>	<u><u>\$ 254,928</u></u>

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

**F. Long-Term Debt**

Long-term debt of the city at June 30, 2005 consisted of revenue bonds payable solely from gross receipts tax revenues, revenue bonds payable solely from revenues of enterprise funds, capital leases, and compensated absences payable. Long-term debt of the component units consist of revenue bonds payable solely from the rental revenues in the Santa Fe Housing Development Corporation.

Year Ended 30-Jun	Governmental Activities		Business - Type Activities	
	Principal	Interest	Principal	Interest
2006	7,940,000.00	5,540,265.00	4,005,000.00	4,349,365.00
2007	7,050,000.00	5,118,617.50	4,300,000.00	4,045,226.25
2008	7,380,000.00	4,791,902.50	4,640,000.00	3,717,590.00
2009	7,410,000.00	4,449,582.50	4,995,000.00	3,363,195.00
2010	7,835,000.00	4,109,785.00	5,260,000.00	3,099,385.00
2011 - 2015	35,935,000.00	14,271,390.04	28,425,000.00	11,058,808.75
2016 - 2020	24,565,000.00	5,761,612.50	16,580,000.00	4,245,675.00
2021 - 2025	11,795,000.00	1,579,675.00	7,155,000.00	779,362.50
2026 - 2030	-	-	-	-
Total	<b>\$ 109,910,000.00</b>	<b>\$ 45,622,830.04</b>	<b>\$ 75,360,000.00</b>	<b>\$ 34,658,607.50</b>

Notes payable – Primary Government

The water management fund has three notes payable to New Mexico Finance Authority (NMFA). The notes are to be paid from the gross revenues of the water enterprise less operation and maintenance expenses.

Note payable to NMFA issued on April 5, 2000 for the amount \$1,212,122 at 3% interest with a maturity date of May 1, 2020 for the drilling and equipping of two exploratory water wells.

Note payable to NMFA issued on April 5, 2000 for the amount \$500,000 at 4.981% interest with a maturity date of April 2010 for the purchase of pump and generator equipment for an effluent fill station, and shop equipment.

Note payable to NMFA issued on April 5, 2000 for the amount \$472,223 at 5.362% with a maturity date of April 2010 for the purchase of system control and data acquisition equipment.

During fiscal year 2004-2005 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 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

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

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 wastewater, streets, drainage and traffic at the Railyard Redevelopment Project property.

Drinking Water Program	\$ 1,001,297
Water Equipment	303,182
SCADA Project	274,406
Railyard Infrastructure	5,107,652
Railyard Infrastructure	579,025
	<u>7,265,562</u>
Less: Trust Account Balances	<u>(5,818,845)</u>
Total Notes Payable	1,446,717
Less: Current Portion	<u>(156,974)</u>
Total Long Term Notes Payable	<u><u>\$ 1,289,743</u></u>

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

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

The NMFA notes represent balances available to the City for capital projects. The City makes payments on the entire amount of the notes even if the entire balance has not been drawn. Funds not drawn are kept in a trust account for 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 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.

Fire Vehicles	\$ 1,166,667
HUD Section 108	300,000
	<u>1,466,667</u>
Less: Trust Account Balances	<u>(129,930)</u>
Total Notes Payable	1,336,737
Less: Current Portion	<u>(135,719)</u>
Total Long Term Notes Payable	<u><u>\$ 1,201,018</u></u>



**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

Advance and current refunding

On August 25, 2004 the City of Santa Fe issued \$8,470,000 Gross Receipts Tax Revenue bonds for the purpose of advance refunding the \$4,239,934 in series 1995A Bonds and current refunding the \$4,159,946 in series 1995B Bonds of gross receipts. The refunding was undertaken to allow the City to achieve a reduction in annual debt service requirement of \$443,407 and to achieve an economic gain of \$659,508.

Changes in long-term liabilities

The changes in long-term debt during the year ended June 30, 2005, are as follows:

	Outstanding July 1, 2004 (as restated)	Additions	Reductions	Outstanding June 30, 2005	Due Within One Year
<b>Governmental Activities:</b>					
Revenue Bonds Payable	\$ 117,210,000	\$ 8,470,000	\$ (15,770,000)	\$ 109,910,000	\$ 7,940,000
New Mexico Finance Authority Loans	-	1,166,667	-	1,166,667	134,719
HUD Section 108	-	300,000	-	300,000	1,000
Additional Deferred Amount (premium)	1,478,559	133,355	(138,098)	1,473,816	143,896
Compensated Absences	4,945,143	894,289	(731,456)	5,107,976	856,346
Arbitrage Rebate Payable	3,805	-	-	3,805	-
Capital Leases	462,868	-	(351,909)	110,959	110,959
Governmental Activity	<b>124,100,375</b>	<b>10,964,311</b>	<b>(16,991,463)</b>	<b>118,073,223</b>	<b>9,186,920</b>
<b>Business - Type Activities:</b>					
Solid Waste Revenue Bonds	775,000	-	(775,000)	-	-
Water Revenue Bonds	62,500,000	-	(3,170,000)	59,330,000	3,425,000
Municipal Recreation Complex Revenue	16,575,000	-	(545,000)	16,030,000	800,000
New Mexico Finance Authority Loans	1,358,388	5,686,677	(152,030)	6,893,035	156,974
Compensated Absences	2,094,751	645,785	(589,348)	2,151,188	537,797
Arbitrage Rebate Payable	122,095	-	(122,095)	-	-
Business - Type Activity	<b>\$ 83,425,234</b>	<b>\$ 6,332,462</b>	<b>\$ (5,353,473)</b>	<b>\$ 84,404,223</b>	<b>\$ 4,919,771</b>

Internal Service Funds predominantly serve governmental funds. Accordingly, long-term liabilities for these are included as part of the above totals for governmental activities. At year end, \$59,588 of internal service funds compensated absences are included in the above amount. The amount \$1,154,647 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. The remaining amount \$856,346 of compensated absences due within one year is displayed as “long-term liabilities, due within one year” for the governmental activities on the government-wide statement of net assets

Notes and Bonds Payable – Component Unit

The Santa Fe Housing Development Corporation (SFHDC) Multi-family Mortgage Revenue Refunding Bonds Series 1993A, issue amount \$3,365,000 were for the purpose of refinancing First Mortgage Revenue Bonds which were used for the construction of 100 units of housing which are occupied by elderly persons who qualify for assistance under Section 8 of HUD. The bonds are to

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

be paid from the rental payments by tenants of the project and payments made by HUD in respect of the Housing Assistance Payment contract. The SFHDC is in compliance with all requirements as outlined in the bond ordinance.

The long-term debt at June 30, 2005, is as follows:

Santa Fe Housing Development Corporation bonds issued  
on December 9, 1993, for \$3,250,000 at 5.5% - 6%  
interest with a maturity date of February 1, 2018

Total Debt	\$ 2,460,000
Less: Current Portion	(115,000)
Total Long - Term	<u><u>\$ 2,345,000</u></u>

Total aggregate maturing of the Santa Fe Housing Development Corporation's long-term debt at June 30, 2005, is as follows:

Years Ended June 30,	Principal	Interest
2006	\$ 115,000	\$ 145,950
2007	120,000	138,900
2008	130,000	131,550
2009	135,000	123,750
2010	145,000	115,500
2011 - 2015	865,000	434,100
2016 - 2018	950,000	6,051
Total	<u><u>\$ 2,460,000</u></u>	<u><u>\$ 1,095,801</u></u>

### Defeased Debt

In prior years, the City defeased certain revenue and other bonds by placing the proceeds of the new bonds in a irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. On June 30, 2005, \$12,312,000 of bonds outstanding is considered defeased.

### **G. 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 two such enterprise funds: Water Management, and the Municipal Recreation Complex (MRC) which are both reported as major funds. Financial information for the Component Unit is as follows:

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

**Discretely Presented Component Unit**  
**Condensed Statement of Net Assets June 30, 2005**

	<b>Housing Authority</b>	<b>Housing Dev. Corp.</b>	<b>La Cieneguita</b>	<b>Section 8 Vouchers</b>	<b>Cielo Azul</b>	<b>Total</b>
Assets:						
Current Assets	\$ 1,086,770	\$ 2,125,009	\$ 113,650	\$ 565,543	\$ 108,151	\$ 3,999,123
Capital Assets	8,026,507	1,436,645	883	-	1,556,667	11,020,702
Total Assets	9,113,277	3,561,654	114,533	565,543	1,664,818	15,019,825
Liabilities:						
Current Liabilities	485,984	222,996	11,929	155,499	509,737	1,386,145
Noncurrent Liabilities	-	2,345,000	-	-	1,195,922	3,540,922
Total Liabilities	485,984	2,567,996	11,929	155,499	1,705,659	4,927,067
Net Assets:						
Unrestricted	600,786	1,902,013	101,721	410,044	(501,586)	2,512,978
Invested In Capital Assets, net of related Debt	8,026,507	(908,355)	883	-	460,745	7,579,780
Total Net Assets	<b>\$ 8,627,293</b>	<b>\$ 993,658</b>	<b>\$ 102,604</b>	<b>\$ 410,044</b>	<b>\$ (40,841)</b>	<b>\$ 10,092,758</b>

**Condensed Statement of Revenues, Expenses, and changes in Net Assets June 30, 2005**

	<b>Housing Authority</b>	<b>Housing Dev. Corp.</b>	<b>La Cieneguita</b>	<b>Section 8 Vouchers</b>	<b>Cielo Azul</b>	<b>Total</b>
Operating Revenues	\$ 2,977,330	\$ 579,052	\$ 79,828	\$ 4,138,109	\$ 42,706	\$ 7,817,025
Operating Expenses	(2,661,653)	(579,663)	(76,831)	(4,141,834)	(95,232)	(7,555,213)
Operating Income (loss)	315,677	(611)	2,997	(3,725)	(52,526)	261,812
Nonoperating Revenues (expenses)	8,327	(108,817)	1,249	3,725	11,685	(83,831)
Change in Net Assets	324,004	(109,428)	4,246	-	(40,841)	177,981
Beginning Net Assets	8,303,289	1,103,086	98,358	410,044	-	9,914,777
Ending Net Assets	<b>\$ 8,627,293</b>	<b>\$ 993,658</b>	<b>\$ 102,604</b>	<b>\$ 410,044</b>	<b>\$ (40,841)</b>	<b>\$ 10,092,758</b>

**Condensed Statement of Cash Flows June 30, 2005**

	<b>Housing Authority</b>	<b>Housing Dev. Corp.</b>	<b>La Cieneguita</b>	<b>Section 8 Vouchers</b>	<b>Cielo Azul</b>	<b>Total</b>
Net Cash Provided (used) by:						
Operating Activities	\$ 1,026,700	\$ 80,379	\$ 5,736	\$ 233,455	\$ (8,401)	\$ 1,337,869
Capital and Related Financing Activities	(1,066,711)	(757,169)	-	-	(429,377)	(2,253,257)
Investing Activities	8,327	38,352	1,249	3,725	545,929	597,582
Net Increase (decrease)	(31,684)	(638,438)	6,985	237,180	108,151	(317,806)
Beginning Cash and Cash Equivalents	786,006	2,249,296	103,000	318,815	-	3,457,117
Ending Cash and Cash Equivalents	<b>\$ 754,322</b>	<b>\$ 1,610,858</b>	<b>\$ 109,985</b>	<b>\$ 555,995</b>	<b>\$ 108,151</b>	<b>\$ 3,139,311</b>

**H. Restricted assets**

The balances of the restricted asset accounts in the enterprise funds are as follows:

Reserve requirement on Bond Issue (MRC)	\$ 1,537,000
Total Restricted Assets	<b>\$ 1,537,000</b>

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

**V. Other information**

**A. Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries various insurance. The City administers its insurance coverage through the Risk Management Office. The Risk Management Fund, Santa Fe Health Fund, Worker's Compensation Fund, and Retiree Health Care Fund are reported as Internal Service funds. Premiums are paid into the funds by all other funds and available to pay claims, claim reserves, and administrative costs of the programs. The City purchases commercial insurance for claims in excess of coverage provided by the funds and for other risks of loss. The City has had no significant reduction in insurance coverage from the prior year and, as of June 30, 2005; 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 claim and the first \$50,000 for general liability claims.

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

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

The Retiree Health Care Fund accounts for the self-insured program. The purpose of the program is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a self-funded plan. Claims are handled by a professional third-party claims administrator. The City maintains specific stop loss coverage for individual claims in excess of \$200,000, and aggregate coverage of cumulative claims in excess of 125% of expected claims.

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

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

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's for each of the past three fiscal years with the exception of one settlement in early 2001.

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

	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claims Payment</b>	<b>Balance at Fiscal Year End</b>
2003 - 2004				
Risk Management Fund	\$ 2,232,000	\$ 1,628,937	\$ 1,852,937	\$ 2,008,000
Santa Fe Health Fund	1,313,753	7,782,476	7,732,556	1,363,673
Workers' Compensation Fund	1,273,000	1,074,192	750,192	1,597,000
Retiree Health Care Fund	369,131	2,082,304	2,043,946	407,489
	<b>\$ 5,187,884</b>	<b>\$ 12,567,909</b>	<b>\$ 12,379,631</b>	<b>\$ 5,376,162</b>
2004 - 2005				
Risk Management Fund	\$ 2,008,000	\$ 2,000,818	\$ 1,514,818	\$ 2,494,000
Santa Fe Health Fund	1,363,673	8,968,975	8,755,341	1,577,307
Workers' Compensation Fund	1,597,000	1,034,636	881,636	1,750,000
Retiree Health Care Fund	407,489	2,756,733	2,759,241	404,981
	<b>\$ 5,376,162</b>	<b>\$ 14,761,162</b>	<b>\$ 13,911,036</b>	<b>\$ 6,226,288</b>

**B. Related party transaction**

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

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

**C. Contingent liabilities**

The City receives significant financial assistance from federal and state sources in the form of grants and entitlements. The disbursements of the funds received are generally limited to specific compliance requirements as specified in the grant agreement. During the period under audit, the City also had its grants audited under the audit requirements of the Office of Management and Budgets Circular A-133 and the U. S. Department of Housing and Urban Development. The

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

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, 2005.

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

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

**D. Jointly governed organizations**

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

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

Under the authorization of the New Mexico State Statute 11-1-1 through 11-1-7 and pursuant to the New Mexico Enhanced 911 Act 63-9D-41, the City of Santa Fe joined the County of Santa Fe to jointly undertake their powers to operate and manage the Regional Emergency Communications Center District (RECC) to provide a more efficient and cost-effective method of providing centralized emergency enhanced 911 dispatch services to the region. The RECC was established as of July 1, 2002 as a public entity separate from the City or County. The Board of Directors consist of the City Manager, the City Police Chief, the City Fire chief, the County Manager, the County Sheriff, the County Fire Chief, and one member appointed by the City and County Managers to represent the community at-large. The operations physically lease space in a new County facility. The City provided funding for 69% of the expenses and the County provided 31%, an allocation which will be reviewed after a year of operations to be based on the number of calls received from each jurisdiction.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

The salaries for the Director, the ITT Manager, and the initial equipment were shared equally by the City and County. The City provides the fiscal agent services. The current City and County dispatch employees became employees of the RECC.

The RECC Agency has its own financial statements as a separate entity, audited on an annual basis. The City serves as the fiscal agent. Complete financial statements for the Agency may be obtained at the Regional Emergency Communications Center, South highway 14 No. 35 Camino Justicia, Santa Fe, NM 87508.

**E. Other post employment benefits**

In November 1990 the City established a Retiree Health Program, which provided postretirement health and dental care benefits for retirees vested at least five years in the plan, who have a one-time opportunity to elect to participate at the time of retirement and for their dependents. At the age of sixty-five years, Medicare becomes the primary coverage. The City made contributions to the fund in amount of 1.50% of all employees' annual salary. All employees, as a condition of employment for the fiscal year commencing July 1, 1991, and thereafter, contributed to the fund an amount equal to .65% of the employee's salary. Each participating retiree pays a monthly premium depending on type of coverage. The monthly premiums are generally increased each fiscal year in order to respond to changing financial exigencies. Services are provided under the same program as regular employees. In fiscal year 2004-2005, the City's and Employee's contributions increased to 4.30% and .75% respectively.

As of the year end, there were three hundred employees who had retired under PERA with the City retiree health plan. Contributions from both the City and employees become property of the Retiree Health Care Fund and are not refundable under any circumstance, including termination of employment. All contributions are transferred to the Retiree Health Care Fund on bi-weekly basis. Insurance premiums are deducted from the retiree's monthly PERA pension check.

**F. Employee retirement systems and pension plans**

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.

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 21.25% of fire fighters' salaries, however, as an employee benefit, the City elected to contribute 33.40% to the fire fighters' 4.050% contribution.

**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

The City is required to contribute 9.15% of regular employee salaries. In addition, 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. The City is required to contribute 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 requirements specified under the statute could be amended by acts of the legislature. The City's contributions to PERA for the years ending June 30, 2005, 2004, and 2003, were \$10,725,681, \$9,852,715 and \$9,408,782, equal to the required contribution.

**G. Conduit debt obligations**

The City of Santa Fe has issued Industrial Revenue Bonds to provide financial assistance to private-sector and not-for-profit entities for the acquisition and construction of industrial, commercial, educational, and health care facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received from the entities involved. Upon repayment of the bonds, ownership of the acquired facilities transfers to the entity served by the bond issuance. The City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2005, there are eight series of Industrial Revenue Bonds outstanding, of which three were issued prior to July 1, 1995. The aggregate principal amount payable for the five series issued after July 1, 1995, was \$27,230,000. The five series for educational facilities improvement and/or refunding for the College of Santa Fe and St. John's College were for the purpose of paying and discharging certain outstanding notes, refunding outstanding bonds payable and paying for capital projects. The aggregate principal amount payable for the three series issued prior to July 1, 1995 could not be determined; however, their original issue amount totaled \$11,060,000.

The City has issued Mortgage Revenue bonds to enable the City to provide a program to assist purchasers in qualifying for home ownership and provide lower mortgage interest rates. Local banks and mortgagors participate in the program. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the City, the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2005, there were three series of Mortgage Revenue Bonds outstanding, of which one was issued prior to July 1, 1995. The aggregate principal amount payable for the three series issued after July 1, 1995 was \$30,500,000. The first series, Single Family Mortgage Revenue Bonds – FNMA and GNMA Mortgage Backed Securities Program – Series 1995A – with a principal amount payable of \$10,445,000, is for the purpose of acquiring single pool guaranteed mortgage pass-through securities guaranteed by the Federal National Mortgage Association. The second series, Single Family Mortgage amounts payable of \$9,940,000 and \$7,075,605 respectively, are for the purpose of financing a single family mortgage loan program with the City.



**City of Santa Fe, New Mexico**  
**Notes to the Financial Statements**  
**June 30, 2005**

**H. Subsequent Events**

On July 27, 2005 the City of Santa Fe refunded the series 1996C and the series 1998 Municipal Recreation Complex bonds with the series 2005 Municipal Recreation Complex Net Revenue/subordinate lien Gross Receipts Tax Revenue refunding bonds totaling \$15,315,000. The refunding allows the City to achieve a reduction in annual debt service and provides a pledge of Gross Receipts tax revenue.

On October 27, 2005 the City entered into an International Swaps and Derivatives Association Master Agreement with JPMorgan Chase Bank for the purpose of securing a lucrative interest rate for the series 2006 Utility Revenue Refunding bonds scheduled for June 2006. The termination date of the interest rate hedge agreement is no later than September 1, 2006, upon the issuance of the bonds.

On July 1, 2005 the City of Santa Fe elected to transfer the Retiree Health Insurance benefit to the New Mexico Retiree Health Care Authority pursuant to the provisions of the New Mexico Retiree Health Care Act.

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## **Supplementary Information**

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

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

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

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

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

***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

***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

***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.

***Railyard Properties*** – to account for the revenues and expenditures related to the acquisition and development of the Railyard property. Section 7-19-10 to 18 NMSA 1978

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

***Watershed Clearing*** – to account for monies donated to the City for the purpose of timber clearing in the watershed area. Segregated as private donation.

***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 funds pooled for an emergency program to reduce the use of potable water during a critical drought period by resolution number 2002-05.

***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

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

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

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

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

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

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

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

***Tierra Contenta*** – 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, 2005**

	Special Revenue	Capital Projects	Totals
<b>Assets</b>			
Cash, investments and cash equivalents	\$ 22,776,115	\$ 23,982,589	\$ 46,758,704
Receivables:			
State-shared taxes	2,758,561	206,355	2,964,916
Grants	2,093,156	1,010,048	3,103,204
Interest	123,477	153,664	277,141
Other receivables (net of allowances)	3,472,922	133,458	3,606,380
 Total assets	 31,224,231	 25,486,114	 56,710,345
 <b>Total assets</b>	 <b>\$ 31,224,231</b>	 <b>\$ 25,486,114</b>	 <b>\$ 56,710,345</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 1,039,858	\$ 905,753	\$ 1,945,611
Compensated absences payable	571,444	47,883	619,327
Accrued wages payable	-	45,111	45,111
Due to other funds	853,402	126,197	979,599
Unearned revenue	3,126,082	-	3,126,082
Deposits and escrows	10,300	100,000	110,300
 Total liabilities	 5,601,086	 1,224,944	 6,826,030
 Fund balances:			
Reserved for encumbrances	875,060	-	875,060
Unreserved - undesignated	24,748,085	24,261,170	49,009,255
Total fund balances	25,623,145	24,261,170	49,884,315
 <b>Total liabilities and fund balances</b>	 <b>\$ 31,224,231</b>	 <b>\$ 25,486,114</b>	 <b>\$ 56,710,345</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2005**

	Special Revenue	Capital Projects	Totals
<b>Revenues:</b>			
Taxes	\$ 23,300,136	\$ 1,066,714	\$ 24,366,850
Intergovernmental revenues	15,923,483	2,070,425	17,993,908
Fees and charges for services	3,976,227	-	3,976,227
Sale of capital assets	79,164	-	79,164
Rents, royalties and concessions	74,242	-	74,242
Investment income	577,234	781,878	1,359,112
Land sales	428,823	-	428,823
Other revenues	485,119	132,165	617,284
Total revenues	44,844,428	4,051,182	48,895,610
<b>Expenditures:</b>			
Current:			
General government	14,167,668	131,943	14,299,611
Public safety	2,703,678	-	2,703,678
Public works	1,574,298	921,079	2,495,377
Community development	5,274,242	-	5,274,242
Culture and recreation	2,910,757	165,699	3,076,456
Total current expenditures	26,630,643	1,218,721	27,849,364
Capital outlay:			
General government	169,248	1,140,872	1,310,120
Public safety	1,627,511	-	1,627,511
Public works	28,661	4,678,935	4,707,596
Community development	168,461	123,504	291,965
Culture and recreation	81,053	2,203,515	2,284,568
Total capital outlay expenditures	2,074,934	8,146,826	10,221,760
Commitments:			
Public works			
Principal payments	-	213,894	213,894
Interest payments	-	13,580	13,580
Total expenditures	28,705,577	9,593,021	38,298,598
Excess (deficiency) of revenues over expenditures	16,138,851	(5,541,839)	10,597,012
Other financing sources (uses):			
Transfers in	6,936,184	2,692,555	9,628,739
Transfers out	(19,750,395)	(2,499,049)	(22,249,444)
Other sources-land sales	250,000	-	250,000
Total other financing sources (uses)	(12,564,211)	193,506	(12,370,705)
Net change in fund balances	3,574,640	(5,348,333)	(1,773,693)
Fund balances, beginning of year	22,048,505	29,609,503	51,658,008
<b>Fund balances, end of year</b>	<b>\$ 25,623,145</b>	<b>\$ 24,261,170</b>	<b>\$ 49,884,315</b>

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**CITY OF SANTA FE, NEW MEXICO**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**Special Revenue**  
**June 30, 2005**

**Assets**

	<b>Cash, Investments and Cash Equivalents</b>	<b>Taxes Receivable</b>	<b>Grants Receivable</b>	<b>Interest Receivable</b>	<b>Other Receivables</b>	<b>Total Assets</b>
<b>Primary Government:</b>						
<b>General Government:</b>						
Capital Equipment Reserve	\$ 133,114	\$ -	\$ -	\$ 749	\$ -	\$ 133,863
Franchise Fee	10,431	12,564	-	-	-	22,995
Economic Development	2,748,609	-	-	14,596	274,775	3,037,980
1/2% Gross Receipts Tax	4,560,106	2,433,149	-	23,457	-	7,016,712
Lodgers' Tax Fund	7,055,548	-	8,648	42,117	-	7,106,313
Mortgage Refund Residual	883	-	-	24	-	907
Railyard Properties	45,347	-	-	195	54,890	100,432
Santa Fe Business Incubator	27,081	-	-	141	-	27,222
Watershed Clearing	-	-	-	-	-	-
Total General Government	14,581,119	2,445,713	8,648	81,279	329,665	17,446,424
<b>Public Safety:</b>						
Animal Services	49,744	-	-	279	-	50,023
Emergency Service Grants	376,911	-	-	1,830	-	378,741
Environmental Services	46,359	-	40,774	-	-	87,133
Law Enforcement Grants	1,091,097	304,056	190,052	4,758	-	1,589,963
Total Public Safety	1,564,111	304,056	230,826	6,867	-	2,105,860
<b>Public Works:</b>						
Resource Conservation	108,050	-	-	563	-	108,613
City Drainage Projects	230,012	-	-	1,095	77,756	308,863
Impact Fee Projects	468,973	-	-	3,378	-	472,351
Impact Fee	2,121,074	-	-	10,523	-	2,131,597
Transportation Grants	235,358	-	336,811	522	-	572,691
Total Public Works	3,163,467	-	336,811	16,081	77,756	3,594,115
<b>Community Development:</b>						
Community Development Grants	-	-	713,164	1,323	9,518	724,005
Affordable Housing Program	-	-	24,687	-	-	24,687
Senior Citizen Grants	-	-	672,106	-	4,676	676,782
Total Community Development	-	-	1,409,957	1,323	14,194	1,425,474
<b>Culture and Recreation:</b>						
Historic Preservation Grant	66,667	-	33,544	243	-	100,454
Library State Aid	-	-	73,370	-	-	73,370
NEA Grants	50,158	-	-	-	-	50,158
Plaza Use	7,838	-	-	42	-	7,880
Public Facilities Purchase	63,513	-	-	241	-	63,754
Quality of Life Project	398,427	-	-	2,081	-	400,508
Recreation Grants	719,833	8,792	-	4,047	-	732,672
Tierra Contenta	2,087,177	-	-	10,872	3,051,307	5,149,356
Special Recreation Leagues	73,805	-	-	401	-	74,206
Total Culture and Recreation	3,467,418	8,792	106,914	17,927	3,051,307	6,652,358
<b>Totals - June 30, 2005</b>	<b>\$ 22,776,115</b>	<b>\$ 2,758,561</b>	<b>\$ 2,093,156</b>	<b>\$ 123,477</b>	<b>\$ 3,472,922</b>	<b>\$ 31,224,231</b>

Liabilities							Fund Balances			
Accounts Payable	Compensated Absences Payable	Due to Other Funds	Unearned Revenue	Deposits/ Escrows	Total Liabilities	Reserved for Encumbrances	Unreserved	Total Fund Balances	Total Liabilities and Fund Balances	
\$ 1,881	\$ -	\$ -	\$ -	\$ -	\$ 1,881	\$ -	\$ 131,982	\$ 131,982	\$ 133,863	
-	-	-	-	-	-	-	22,995	22,995	22,995	
83,889	4,609	-	74,775	-	163,273	148,626	2,726,081	2,874,707	3,037,980	
-	-	-	-	-	-	-	7,016,712	7,016,712	7,016,712	
419,632	144,309	-	-	2,300	566,241	53,336	6,486,736	6,540,072	7,106,313	
-	-	-	-	-	-	-	907	907	907	
-	-	-	-	-	-	7,928	92,504	100,432	100,432	
-	-	-	-	-	-	-	27,222	27,222	27,222	
-	-	278	-	-	278	-	(278)	(278)	-	
505,402	148,918	278	74,775	2,300	731,673	209,890	16,504,861	16,714,751	17,446,424	
-	-	-	-	-	-	4,474	45,549	50,023	50,023	
5,598	-	-	-	-	5,598	42,889	330,254	373,143	378,741	
-	4,685	-	-	-	4,685	16,676	65,772	82,448	87,133	
53,938	201,454	-	-	-	255,392	117,997	1,216,574	1,334,571	1,589,963	
59,536	206,139	-	-	-	265,675	182,036	1,658,149	1,840,185	2,105,860	
-	-	-	-	-	-	5,904	102,709	108,613	108,613	
2,330	20,802	-	-	-	23,132	-	285,731	285,731	308,863	
-	-	-	-	-	-	100,000	372,351	472,351	472,351	
-	-	-	-	8,000	8,000	-	2,123,597	2,123,597	2,131,597	
14,933	15,878	-	-	-	30,811	66,308	475,572	541,880	572,691	
17,263	36,680	-	-	8,000	61,943	172,212	3,359,960	3,532,172	3,594,115	
210,099	6,317	218,780	-	-	435,196	95,050	193,759	288,809	724,005	
1,516	-	21,852	-	-	23,368	49,609	(48,290)	1,319	24,687	
6,306	73,278	560,403	-	-	639,987	32,696	4,099	36,795	676,782	
217,921	79,595	801,035	-	-	1,098,551	177,355	149,568	326,923	1,425,474	
3,010	-	-	-	-	3,010	15,743	81,701	97,444	100,454	
5,253	-	52,089	-	-	57,342	6,797	9,231	16,028	73,370	
8,450	-	-	-	-	8,450	6,133	35,575	41,708	50,158	
-	-	-	-	-	-	-	7,880	7,880	7,880	
-	-	-	-	-	-	14,309	49,445	63,754	63,754	
20,426	686	-	-	-	21,112	53,113	326,283	379,396	400,508	
198,250	99,426	-	-	-	297,676	35,292	399,704	434,996	732,672	
-	-	-	3,051,307	-	3,051,307	-	2,098,049	2,098,049	5,149,356	
4,347	-	-	-	-	4,347	2,180	67,679	69,859	74,206	
239,736	100,112	52,089	3,051,307	-	3,443,244	133,567	3,075,547	3,209,114	6,652,358	
\$ 1,039,858	\$ 571,444	\$ 853,402	\$ 3,126,082	\$ 10,300	\$ 5,601,086	\$ 875,060	\$ 24,748,085	\$ 25,623,145	\$ 31,224,231	

**CITY OF SANTA FE, NEW MEXICO**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Special Revenue Funds**  
**For the Year Ended June 30, 2005**

Revenues								
	Taxes	Inter-Governmental Revenue	Fees and Charges for Services	Rents, Royalties and Concessions	Investment Income	Sale of Capital Assets/Land	Other	Total Revenue
<b>Primary Government:</b>								
<b>General Government:</b>								
Capital Equipment Reserve	\$ -	\$ -	\$ -	\$ -	\$ 3,908	\$ 23,032	\$ -	\$ 26,940
Franchise Fee	22,995	-	-	-	-	-	-	22,995
Economic Development	-	-	-	74,242	68,726	-	-	142,968
1/2% Gross Receipts Tax	13,773,769	-	-	-	108,511	-	-	13,882,280
Lodger's Tax Fund	7,734,742	26,578	1,325	-	210,812	-	142,753	8,116,210
Mortgage Refund Residual	-	-	-	-	977	-	90,016	90,993
Railyard Properties	-	9,868,478	-	-	4,689	54,890	-	9,928,057
Santa Fe Business Incubator	-	-	-	-	657	-	-	657
Watershed Clearing	-	-	-	-	-	-	-	-
Total General Government	21,531,506	9,895,056	1,325	74,242	398,280	77,922	232,769	32,211,100
<b>Public Safety:</b>								
Animal Services	-	-	28,463	-	620	-	35,275	64,358
Emergency Service Grants	-	326,504	-	-	11,685	-	1,138	339,327
Environmental Services	-	40,774	-	-	-	-	-	40,774
Law Enforcement Grants	1,720,272	623,396	643,495	-	24,270	-	91,480	3,102,913
Total Public Safety	1,720,272	990,674	671,958	-	36,575	-	127,893	3,547,372
<b>Public Works:</b>								
Resource Conservation	-	-	-	-	2,616	-	300	2,916
City Drainage Projects	-	-	465,629	-	4,416	-	-	470,045
Impact Fee Projects	-	-	-	-	12,303	-	-	12,303
Impact Fee	-	-	2,586,436	-	42,509	-	-	2,628,945
Transportation Grants	-	536,523	-	-	-	-	405	536,928
Total Public Works	-	536,523	3,052,065	-	61,844	-	705	3,651,137
<b>Community Development:</b>								
Community Development Grants	-	1,695,288	-	-	5,848	-	860	1,701,996
Affordable Housing Program	-	71,560	-	-	-	-	140	71,700
Senior Citizen Grants	-	1,707,265	144,195	-	-	-	31,379	1,882,839
Total Community Development	-	3,474,113	144,195	-	5,848	-	32,379	3,656,535
<b>Culture and Recreation:</b>								
Historic Preservation Grant	-	50,060	12,531	-	1,207	-	-	63,798
Library State Aid Grant	-	165,063	-	-	-	-	-	165,063
NEA Grants	-	61,007	-	-	-	-	7,764	68,771
Plaza Use	-	-	975	-	199	-	14,126	15,300
Public Facilities Purchase	-	750,987	2,104	-	1,025	-	-	754,116
Quality of Life Project	-	-	-	-	9,376	-	-	9,376
Recreation Grants	48,358	-	58,573	-	15,176	1,242	-	123,349
Tierra Contenta	-	-	32,501	-	45,672	428,823	-	506,996
Special Recreation Leagues	-	-	-	-	2,032	-	69,483	71,515
Total Culture and Recreation	48,358	1,027,117	106,684	-	74,687	430,065	91,373	1,778,284
<b>Totals - June 30, 2005</b>	<b>\$ 23,300,136</b>	<b>\$ 15,923,483</b>	<b>\$ 3,976,227</b>	<b>\$ 74,242</b>	<b>\$ 577,234</b>	<b>\$ 507,987</b>	<b>\$ 485,119</b>	<b>\$ 44,844,428</b>

Expenditures				Other Financing Sources (Uses)				Fund Balance		
Current	Capital Outlay	Total Expenditures	Excess (Deficiency) of Revenues Over Expenditures	Transfers In	Transfers (Out)	Sale of Land	Net change in Fund Balances	Beginning of Year	End of Year	
\$ 5,764	\$ 159,562	\$ 165,326	\$ (138,386)	\$ 103,800	\$ (20,810)	\$ -	\$ (55,396)	\$ 187,378	\$ 131,982	
-	-	-	22,995	-	-	-	22,995	-	22,995	
520,140	2,764	522,904	(379,936)	350,155	(12,710)	-	(42,491)	2,917,198	2,874,707	
-	-	-	13,882,280	-	(12,644,188)	-	1,238,092	5,778,620	7,016,712	
3,515,650	6,922	3,522,572	4,593,638	25,500	(5,142,177)	-	(523,039)	7,063,111	6,540,072	
-	-	-	90,993	-	(90,000)	-	993	(86)	907	
10,125,856	-	10,125,856	(197,799)	-	-	250,000	52,201	48,231	100,432	
-	-	-	657	-	-	-	657	26,565	27,222	
258	-	258	(258)	-	-	-	(258)	(20)	(278)	
14,167,668	169,248	14,336,916	17,874,184	479,455	(17,909,885)	250,000	693,754	16,020,997	16,714,751	
14,335	-	14,335	50,023	-	-	-	50,023	-	50,023	
54,806	1,080,670	1,135,476	(796,149)	1,050,667	(166,600)	-	87,918	285,225	373,143	
72,098	4,228	76,326	(35,552)	118,000	-	-	82,448	-	82,448	
2,562,439	542,613	3,105,052	(2,139)	236,605	(55,000)	-	179,466	1,155,105	1,334,571	
2,703,678	1,627,511	4,331,189	(783,817)	1,405,272	(221,600)	-	399,855	1,440,330	1,840,185	
-	-	-	2,916	-	-	-	2,916	105,697	108,613	
261,142	28,661	289,803	180,242	-	-	-	180,242	105,489	285,731	
163,687	-	163,687	(151,384)	55,000	-	-	(96,384)	568,735	472,351	
-	-	-	2,628,945	-	(939,827)	-	1,689,118	434,479	2,123,597	
1,149,469	-	1,149,469	(612,541)	960,062	(152,055)	-	195,466	346,414	541,880	
1,574,298	28,661	1,602,959	2,048,178	1,015,062	(1,091,882)	-	1,971,358	1,560,814	3,532,172	
2,416,125	33,108	2,449,233	(747,237)	712,309	(2,886)	-	(37,814)	326,623	288,809	
71,233	-	71,233	467	-	-	-	467	852	1,319	
2,786,884	135,353	2,922,237	(1,039,398)	1,121,108	(147,180)	-	(65,470)	102,265	36,795	
5,274,242	168,461	5,442,703	(1,786,168)	1,833,417	(150,066)	-	(102,817)	429,740	326,923	
47,684	-	47,684	16,114	-	(6,122)	-	9,992	87,452	97,444	
193,310	5,200	198,510	(33,447)	40,000	-	-	6,553	9,475	16,028	
66,870	-	66,870	1,901	-	-	-	1,901	39,807	41,708	
22,401	-	22,401	(7,101)	-	-	-	(7,101)	14,981	7,880	
774,682	-	774,682	(20,566)	40,969	-	-	20,403	43,351	63,754	
258,427	71,448	329,875	(320,499)	737,535	(370,840)	-	46,196	333,200	379,396	
1,478,155	4,405	1,482,560	(1,359,211)	1,384,474	-	-	25,263	409,733	434,996	
-	-	-	506,996	-	-	-	506,996	1,591,053	2,098,049	
69,228	-	69,228	2,287	-	-	-	2,287	67,572	69,859	
2,910,757	81,053	2,991,810	(1,213,526)	2,202,978	(376,962)	-	612,490	2,596,624	3,209,114	
\$ 26,630,643	\$ 2,074,934	\$ 28,705,577	\$ 16,138,851	\$ 6,936,184	\$ (19,750,395)	\$ 250,000	\$ 3,574,640	\$ 22,048,505	\$ 25,623,145	

**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, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Investment income	\$ 4,200	\$ 4,200	\$ 3,908	\$ (292)
Sale of capital assets	-	-	23,032	23,032
Total revenues	4,200	4,200	26,940	22,740
<b>Expenditures:</b>				
General government:				
Current	29,650	13,374	5,764	7,610
Capital outlay	80,900	157,266	159,562	(2,296)
Total expenditures	110,550	170,640	165,326	5,314
Excess (deficiency) of revenues over expenditures	(106,350)	(166,440)	(138,386)	28,054
Other financing sources (uses):				
Transfers in	103,800	103,800	103,800	-
Transfers out	-	(20,810)	(20,810)	-
Total other financing sources (uses)	103,800	82,990	82,990	-
Net change in fund balance	(2,550)	(83,450)	(55,396)	28,054
Fund balance, beginning of year	187,378	187,378	187,378	-
<b>Fund balance, end of year</b>	<b>\$ 184,828</b>	<b>\$ 103,928</b>	<b>\$ 131,982</b>	<b>\$ 28,054</b>

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**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, 2005**

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	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Taxes	\$ -	\$ 17,777	\$ 22,995	\$ 5,218
Total revenues	-	17,777	22,995	5,218
<b>Expenditures:</b>				
Public safety:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	17,777	22,995	5,218
Net changes in fund balance	-	17,777	22,995	5,218
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 17,777</b>	<b>\$ 22,995</b>	<b>\$ 5,218</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Economic Development**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 600,000	\$ 300,000	\$ -	\$ (300,000)
Investment income	70,000	70,000	68,726	(1,274)
Rents, royalties and concessions	-	-	74,242	74,242
Total revenues	670,000	370,000	142,968	(227,032)
<b>Expenditures:</b>				
General government:				
Current	1,198,010	1,440,699	520,140	920,559
Capital outlay	-	3,000	2,764	236
Total expenditures	1,198,010	1,443,699	522,904	920,795
Excess (deficiency) of revenues over expenditures	(528,010)	(1,073,699)	(379,936)	693,763
Other financing sources (uses):				
Transfers in	344,542	350,155	350,155	-
Transfers out	-	(12,710)	(12,710)	-
Total other financing sources (uses)	344,542	337,445	337,445	-
Net change in fund balance	(183,468)	(736,254)	(42,491)	693,763
Fund balance, beginning of year	2,917,198	2,917,198	2,917,198	-
<b>Fund balance, end of year</b>	<b>\$ 2,733,730</b>	<b>\$ 2,180,944</b>	<b>\$ 2,874,707</b>	<b>\$ 693,763</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**1/2% Gross Receipts Tax**  
**For the Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Taxes	\$ 13,577,908	\$ 13,799,098	\$ 13,773,769	\$ (25,329)
Investment income	92,200	92,200	108,511	16,311
Total revenues	13,670,108	13,891,298	13,882,280	(9,018)
<b>Expenditures:</b>				
General government:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	13,670,108	13,891,298	13,882,280	(9,018)
Other financing sources (uses):				
Transfers out	(12,644,188)	(12,644,188)	(12,644,188)	-
Total other financing sources (uses)	(12,644,188)	(12,644,188)	(12,644,188)	-
Net changes in fund balance	1,025,920	1,247,110	1,238,092	(9,018)
Fund balance, beginning of year	5,778,620	5,778,620	5,778,620	-
<b>Fund balance, end of year</b>	<b>\$ 6,804,540</b>	<b>\$ 7,025,730</b>	<b>\$ 7,016,712</b>	<b>\$ (9,018)</b>



**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Lodger's Tax Fund**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Taxes	\$ 6,769,200	\$ 7,803,383	\$ 7,734,742	\$ (68,641)
Licenses and permits	-	-	1,325	1,325
Intergovernmental	58,000	74,078	26,578	(47,500)
Investment income	184,000	184,000	210,812	26,812
Other	100,000	116,500	142,753	26,253
Total revenues	7,111,200	8,177,961	8,116,210	(61,751)
<b>Expenditures:</b>				
General government:				
Current	3,568,671	3,736,790	3,515,650	221,140
Capital outlay	3,257	10,544	6,922	3,622
Total expenditures	3,571,928	3,747,334	3,522,572	224,762
Excess (deficiency) of revenues over expenditures	3,539,272	4,430,627	4,593,638	163,011
Other financing sources (uses):				
Transfers in	25,500	25,500	25,500	-
Transfers out	(1,572,183)	(5,142,177)	(5,142,177)	-
Total other financing sources (uses)	(1,546,683)	(5,116,677)	(5,116,677)	-
Net change in fund balance	1,992,589	(686,050)	(523,039)	163,011
Fund balance, beginning of year	7,063,111	7,063,111	7,063,111	-
<b>Fund balance, end of year</b>	<b>\$ 9,055,700</b>	<b>\$ 6,377,061</b>	<b>\$ 6,540,072</b>	<b>\$ 163,011</b>

**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, 2005**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Investment income	\$ 4,900	\$ 4,900	\$ 977	\$ (3,923)
Other	-	90,000	90,016	16
Total revenues	4,900	94,900	90,993	(3,907)
<b>Expenditures:</b>				
General government:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	4,900	94,900	90,993	(3,907)
Other financing sources (uses):				
Transfers out	(90,000)	(90,000)	(90,000)	-
Total other financing sources (uses)	(90,000)	(90,000)	(90,000)	-
Net change in fund balance	(85,100)	4,900	993	(3,907)
Fund balance, beginning of year	(86)	(86)	(86)	-
<b>Fund balance, end of year</b>	<b>\$ (85,186)</b>	<b>\$ 4,814</b>	<b>\$ 907</b>	<b>\$ (3,907)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Railyard Properties**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 10,022,701	\$ 9,868,478	\$ (154,223)
Rents, royalties and concessions	487,922	66,428	-	(66,428)
Investment income	-	4,543	4,689	146
Other	-	8,265	54,890	46,625
Total revenues	487,922	10,101,937	9,928,057	(173,880)
<b>Expenditures:</b>				
General government:				
Current	-	10,272,701	10,125,856	146,845
Total expenditures	-	10,272,701	10,125,856	146,845
Excess (deficiency) of revenues over expenditures	487,922	(170,764)	(197,799)	(27,035)
Other financing sources (uses):				
Transfers in	1,138,486	-	-	-
Transfers out	(1,626,408)	-	-	-
Other sources-land sales	-	250,000	250,000	-
Total other financing sources (uses)	(487,922)	250,000	250,000	-
Net change in fund balance	-	79,236	52,201	(27,035)
Fund balance, beginning of year	48,231	48,231	48,231	-
<b>Fund balance, end of year</b>	<b>\$ 48,231</b>	<b>\$ 127,467</b>	<b>\$ 100,432</b>	<b>\$ (27,035)</b>

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**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, 2005**

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	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Investment Income	\$ 700	\$ 700	\$ 657	\$ (43)
Total revenues	700	700	657	(43)
<b>Expenditures:</b>				
General government:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	700	700	657	(43)
Fund balance, beginning of year	26,565	26,565	26,565	-
<b>Fund balance, end of year</b>	<b>\$ 27,265</b>	<b>\$ 27,265</b>	<b>\$ 27,222</b>	<b>\$ (43)</b>

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**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Watershed Clearing**  
**For the Year Ended June 30, 2005**

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	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Investment income	\$ 3,100	\$ 3,100	\$ (258)	\$ (3,358)
Total revenues	3,100	3,100	(258)	(3,358)
<b>Expenditures:</b>				
Community welfare:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	3,100	3,100	(258)	(3,358)
Net change in fund balance	3,100	3,100	(258)	(3,358)
Fund balance, beginning of year	(20)	(20)	(20)	-
<b>Fund balance, end of year</b>	<b>\$ 3,080</b>	<b>\$ 3,080</b>	<b>\$ (278)</b>	<b>\$ (3,358)</b>

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**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, 2005**

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	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Licenses and permits	\$ -	\$ 26,500	\$ 28,463	\$ 1,963
Investment income	-	-	620	620
Fines and forfeitures	-	17,500	35,275	17,775
Total revenues	-	44,000	64,358	20,358
<b>Expenditures:</b>				
General government:				
Current	-	44,000	14,335	29,665
Total expenditures	-	44,000	14,335	29,665
Excess (deficiency) of revenues over expenditures	-	-	50,023	50,023
Net change in fund balance	-	-	50,023	50,023
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,023</b>	<b>\$ 50,023</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Emergency Service Grants**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 315,420	\$ 322,420	\$ 326,504	\$ 4,084
Investment income	11,000	11,000	11,685	685
Other	-	600	1,138	538
Total revenues	326,420	334,020	339,327	5,307
<b>Expenditures:</b>				
Public safety:				
Current	67,753	76,572	54,806	21,766
Capital outlay	81,067	1,141,323	1,080,670	60,653
Total expenditures	148,820	1,217,895	1,135,476	82,419
Excess (deficiency) of revenues over expenditures	177,600	(883,875)	(796,149)	87,726
Other financing sources (uses):				
Transfers in	-	1,050,667	1,050,667	-
Transfers out	(166,600)	(166,600)	(166,600)	-
Total other financing sources (uses)	(166,600)	884,067	884,067	-
Net changes in fund balance	11,000	192	87,918	87,726
Fund balance, beginning of year	285,225	285,225	285,225	-
<b>Fund balance, end of year</b>	<b>\$ 296,225</b>	<b>\$ 285,417</b>	<b>\$ 373,143</b>	<b>\$ 87,726</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Environmental Services**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 296,000	\$ 40,774	\$ (255,226)
Total revenues	-	296,000	40,774	(255,226)
<b>Expenditures:</b>				
Culture and recreation:				
Current	-	319,500	72,098	247,402
Capital outlay	-	4,000	4,228	(228)
Total expenditures	-	323,500	76,326	247,174
Excess (deficiency) of revenues over expenditures	-	(27,500)	(35,552)	(8,052)
Other financing sources (uses):				
Transfers in	-	118,000	118,000	-
Total other financing sources (uses)	-	118,000	118,000	-
Net change in fund balance	-	90,500	82,448	(8,052)
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 90,500</b>	<b>\$ 82,448</b>	<b>\$ (8,052)</b>



**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Law Enforcement Grants**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Taxes	\$ 1,688,144	\$ 1,715,645	\$ 1,720,272	\$ 4,627
Intergovernmental	920,457	1,356,565	623,396	(733,169)
Fees and charges for services	682,345	682,345	643,495	(38,850)
Investment income	22,300	22,300	24,270	1,970
Fines and forfeitures	14,789	20,527	21,537	1,010
Other	80,095	80,445	69,943	(10,502)
 Total revenues	 3,408,130	 3,877,827	 3,102,913	 (774,914)
<b>Expenditures:</b>				
Public safety:				
Current	2,703,423	3,320,739	2,562,439	758,300
Capital outlay	545,479	689,004	542,613	146,391
 Total expenditures	 3,248,902	 4,009,743	 3,105,052	 904,691
 Excess (deficiency) of revenues over expenditures	 159,228	 (131,916)	 (2,139)	 129,777
 Other financing sources (uses):				
Transfers in	198,899	236,605	236,605	-
Transfers out	(55,000)	(55,000)	(55,000)	-
 Total other financing sources (uses)	 143,899	 181,605	 181,605	 -
 Net change in fund balance	 303,127	 49,689	 179,466	 129,777
 Fund balance, beginning of year	 1,155,105	 1,155,105	 1,155,105	 -
 <b>Fund balance, end of year</b>	 <b>\$ 1,458,232</b>	 <b>\$ 1,204,794</b>	 <b>\$ 1,334,571</b>	 <b>\$ 129,777</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Resource Conservation**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Investment income	\$ 2,700	\$ 2,700	\$ 2,616	\$ (84)
Other	-	-	300	300
Total revenues	2,700	2,700	2,916	216
<b>Expenditures:</b>				
Public safety:				
Current	-	1,117	-	1,117
Capital outlay	-	4,787	-	4,787
Total expenditures	-	5,904	-	5,904
Excess (deficiency) of revenues over expenditures	2,700	(3,204)	2,916	6,120
Net changes in fund balance	2,700	(3,204)	2,916	6,120
Fund balance, beginning of year	105,697	105,697	105,697	-
<b>Fund balance, end of year</b>	<b>\$ 108,397</b>	<b>\$ 102,493</b>	<b>\$ 108,613</b>	<b>\$ 6,120</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**City Drainage Projects**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Fees and charges for services	\$ 459,000	\$ 459,000	\$ 465,629	\$ 6,629
Investment income	-	-	4,416	4,416
Total revenues	459,000	459,000	470,045	11,045
<b>Expenditures:</b>				
Community welfare:				
Current	346,374	363,101	261,142	101,959
Capital outlay	27,500	30,794	28,661	2,133
Total expenditures	373,874	393,895	289,803	104,092
Excess (deficiency) of revenues over expenditures	85,126	65,105	180,242	115,137
Net change in fund balance	85,126	65,105	180,242	115,137
Fund balance, beginning of year	105,489	105,489	105,489	-
<b>Fund balance, end of year</b>	<b>\$ 190,615</b>	<b>\$ 170,594</b>	<b>\$ 285,731</b>	<b>\$ 115,137</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Impact Fee Projects**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Investment income	\$ 14,600	\$ 14,600	\$ 12,303	\$ (2,297)
Total revenues	14,600	14,600	12,303	(2,297)
<b>Expenditures:</b>				
Culture and recreation:				
Current	100,000	264,000	163,687	100,313
Total expenditures	100,000	264,000	163,687	100,313
Excess (deficiency) of revenues over expenditures	(85,400)	(249,400)	(151,384)	98,016
Other financing sources (uses):				
Transfers in	-	55,000	55,000	-
Total other financing sources (uses)	-	55,000	55,000	-
Net change in fund balance	(85,400)	(194,400)	(96,384)	98,016
Fund balance, beginning of year	568,735	568,735	568,735	-
<b>Fund balance, end of year</b>	<b>\$ 483,335</b>	<b>\$ 374,335</b>	<b>\$ 472,351</b>	<b>\$ 98,016</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Impact Fee**  
**For the Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Fees and charges for services	\$ -	\$ 1,825,671	\$ 2,586,436	\$ 760,765
Investment income	45,000	45,000	42,509	(2,491)
Total revenues	45,000	1,870,671	2,628,945	758,274
<b>Expenditures:</b>				
Public works:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	45,000	1,870,671	2,628,945	758,274
Other financing sources (uses):				
Transfers out	(66,667)	(979,322)	(939,827)	39,495
Total other financing sources (uses)	(66,667)	(979,322)	(939,827)	39,495
Net change in fund balance	(21,667)	891,349	1,689,118	797,769
Fund balance, beginning of year	434,479	434,479	434,479	-
<b>Fund balance, end of year</b>	<b>\$ 412,812</b>	<b>\$ 1,325,828</b>	<b>\$ 2,123,597</b>	<b>\$ 797,769</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Transportation Grants**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 427,275	\$ 687,275	\$ 536,523	\$ (150,752)
Other	-	-	405	405
Total revenues	427,275	687,275	536,928	(150,347)
<b>Expenditures:</b>				
Public works:				
Current	1,216,750	1,739,793	1,149,469	590,324
Total expenditures	1,216,750	1,739,793	1,149,469	590,324
Excess (deficiency) of revenues over expenditures	(789,475)	(1,052,518)	(612,541)	439,977
Other financing sources (uses):				
Transfers in	760,062	960,062	960,062	-
Transfers out	-	(152,055)	(152,055)	-
Total other financing sources (uses)	760,062	808,007	808,007	-
Net change in fund balance	(29,413)	(244,511)	195,466	439,977
Fund balance, beginning of year	346,414	346,414	346,414	-
<b>Fund balance, end of year</b>	<b>\$ 317,001</b>	<b>\$ 101,903</b>	<b>\$ 541,880</b>	<b>\$ 439,977</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Community Development Grants**  
**For the Year Ended June 30, 2005**

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 1,028,432	\$ 1,904,923	\$ 1,695,288	\$ (209,635)
Investment income	7,440	7,440	5,848	(1,592)
Other	-	-	860	860
Total revenues	1,035,872	1,912,363	1,701,996	(210,367)
<b>Expenditures:</b>				
Community welfare:				
Current	1,769,331	2,798,575	2,416,125	382,450
Capital outlay	-	52,669	33,108	19,561
Total expenditures	1,769,331	2,851,244	2,449,233	402,011
Excess (deficiency) of revenues over expenditures	(733,459)	(938,881)	(747,237)	191,644
Other financing sources (uses):				
Transfers in	689,084	712,309	712,309	-
Transfers out	(1,488)	(2,886)	(2,886)	-
Total other financing sources (uses)	687,596	709,423	709,423	-
Net changes in fund balance	(45,863)	(229,458)	(37,814)	191,644
Fund balance, beginning of year	326,623	326,623	326,623	-
<b>Fund balance, end of year</b>	<b>\$ 280,760</b>	<b>\$ 97,165</b>	<b>\$ 288,809</b>	<b>\$ 191,644</b>

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**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Affordable Housing Program**  
**For the Year Ended June 30, 2005**

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	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 139,812	\$ 71,560	\$ (68,252)
Other	-	-	140	140
Total revenues	-	139,812	71,700	(68,112)
<b>Expenditures:</b>				
Public safety:				
Current	-	140,631	71,233	69,398
Capital outlay	-	-	-	-
Total expenditures	-	140,631	71,233	69,398
Net change in fund balance	-	(819)	467	1,286
Fund balance, beginning of year	852	852	852	-
<b>Fund balance, end of year</b>	<b>\$ 852</b>	<b>\$ 33</b>	<b>\$ 1,319</b>	<b>\$ 1,286</b>



**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Senior Citizen Grants**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 1,513,713	\$ 1,727,386	\$ 1,707,265	\$ (20,121)
Fees and charges for services	4,000	4,000	144,195	140,195
Other	158,204	178,180	31,379	(146,801)
Total revenues	1,675,917	1,909,566	1,882,839	(26,727)
<b>Expenditures:</b>				
Community welfare:				
Current	2,624,513	2,719,782	2,786,884	(67,102)
Capital outlay	6,620	238,535	135,353	103,182
Total expenditures	2,631,133	2,958,317	2,922,237	36,080
Excess (deficiency) of revenues over expenditures	(955,216)	(1,048,751)	(1,039,398)	9,353
Other financing sources (uses):				
Transfers in	1,062,801	1,121,108	1,121,108	-
Transfers out	(104,002)	(147,180)	(147,180)	-
Total other financing sources (uses)	958,799	973,928	973,928	-
Net change in fund balance	3,583	(74,823)	(65,470)	9,353
Fund balance, beginning of year	102,265	102,265	102,265	-
<b>Fund balance, end of year</b>	<b>\$ 105,848</b>	<b>\$ 27,442</b>	<b>\$ 36,795</b>	<b>\$ 9,353</b>

CITY OF SANTA FE, NEW MEXICO  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Special Revenue  
Historic Preservation Grant  
For the Year Ended June 30, 2005

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental	\$ 16,000	\$ 18,000	\$ 50,060	\$ 32,060
Fees and charges for services	10,000	10,000	12,531	2,531
Investment income	1,250	1,250	1,207	(43)
Total revenues	27,250	29,250	63,798	34,548
<b>Expenditures:</b>				
Culture and recreation:				
Current	32,000	98,175	47,684	50,491
Total expenditures	32,000	98,175	47,684	50,491
Excess (deficiency) of revenues over expenditures	(4,750)	(68,925)	16,114	85,039
Other financing sources (uses):				
Transfers out	-	(6,122)	(6,122)	-
Total other financing sources (uses)	-	(6,122)	(6,122)	-
Net change in fund balance	(4,750)	(75,047)	9,992	85,039
Fund balance, beginning of year	87,452	87,452	87,452	-
<b>Fund balance, end of year</b>	<b>\$ 82,702</b>	<b>\$ 12,405</b>	<b>\$ 97,444</b>	<b>\$ 85,039</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Library State Aid Grant**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 168,735	\$ 165,063	\$ (3,672)
Total revenues	-	168,735	165,063	(3,672)
<b>Expenditures:</b>				
Culture and recreation:				
Current	-	202,987	193,310	9,677
Capital outlay	-	10,250	5,200	5,050
Total expenditures	-	213,237	198,510	14,727
Excess (deficiency) of revenues over expenditures	-	(44,502)	(33,447)	11,055
Other financing sources (uses):				
Transfers in	-	40,000	40,000	-
Total other financing sources (uses)	-	40,000	40,000	-
Net change in fund balance	-	(4,502)	6,553	11,055
Fund balance, beginning of year	9,475	9,475	9,475	-
<b>Fund balance, end of year</b>	<b>\$ 9,475</b>	<b>\$ 4,973</b>	<b>\$ 16,028</b>	<b>\$ 11,055</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**NEA Grants**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 71,510	\$ 61,007	\$ (10,503)
Other	-	7,500	7,764	264
Total revenues	-	79,010	68,771	(10,239)
<b>Expenditures:</b>				
Public safety:				
Current	10,000	97,746	66,870	30,876
Total expenditures	10,000	97,746	66,870	30,876
Excess (deficiency) of revenues over expenditures	(10,000)	(18,736)	1,901	20,637
Net change in fund balance	(10,000)	(18,736)	1,901	20,637
Fund balance, beginning of year	39,807	39,807	39,807	-
<b>Fund balance, end of year</b>	<b>\$ 29,807</b>	<b>\$ 21,071</b>	<b>\$ 41,708</b>	<b>\$ 20,637</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Plaza Use**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Licenses and permits	\$ -	\$ -	\$ 975	\$ 975
Investment income	400	400	199	(201)
Fines and forfeitures	-	-	430	430
Other	21,324	21,324	13,696	(7,628)
Total revenues	21,724	21,724	15,300	(6,424)
<b>Expenditures:</b>				
Culture and recreation:				
Current	25,324	35,851	22,401	13,450
Total expenditures	25,324	35,851	22,401	13,450
Net change in fund balance	(3,600)	(14,127)	(7,101)	7,026
Fund balance, beginning of year	14,981	14,981	14,981	-
<b>Fund balance, end of year</b>	<b>\$ 11,381</b>	<b>\$ 854</b>	<b>\$ 7,880</b>	<b>\$ 7,026</b>

**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, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 765,295	\$ 750,987	\$ (14,308)
Fees and charges for services	-	-	2,104	2,104
Investment income	-	-	1,025	1,025
Total revenues	-	\$ 765,295	\$ 754,116	(11,179)
<b>Expenditures:</b>				
Culture and recreation:				
Current	-	806,264	774,682	31,582
Total expenditures	-	806,264	774,682	31,582
Excess (deficiency) of revenues over expenditures	-	(40,969)	(20,566)	20,403
Other financing sources (uses):				
Transfers in	-	40,969	40,969	-
Total other financing sources (uses)	-	40,969	40,969	-
Net change in fund balance	-	-	20,403	20,403
Fund balance, beginning of year	43,351	43,351	43,351	-
<b>Fund balance, end of year</b>	<b>\$ 43,351</b>	<b>\$ 43,351</b>	<b>\$ 63,754</b>	<b>\$ 20,403</b>

**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, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Investment income	\$ 9,900	\$ 9,900	\$ 9,376	\$ (524)
Total revenues	9,900	9,900	9,376	(524)
<b>Expenditures:</b>				
Culture and recreation:				
Current	333,733	459,768	258,427	201,341
Capital outlay	34,700	113,136	71,448	41,688
Total expenditures	368,433	572,904	329,875	243,029
Excess (deficiency) of revenues over expenditures	(358,533)	(563,004)	(320,499)	242,505
Other financing sources (uses):				
Transfers in	737,535	737,535	737,535	-
Transfers out	(330,840)	(370,840)	(370,840)	-
Total other financing sources (uses)	406,695	366,695	366,695	-
Net change in fund balance	48,162	(196,309)	46,196	242,505
Fund balance, beginning of year	333,200	333,200	333,200	-
<b>Fund balance, end of year</b>	<b>\$ 381,362</b>	<b>\$ 136,891</b>	<b>\$ 379,396</b>	<b>\$ 242,505</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Recreation Grants**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Taxes	\$ 45,000	\$ 45,000	\$ 48,358	\$ 3,358
Fees and charges for services	9,500	9,500	58,573	49,073
Investment income	13,950	13,950	15,176	1,226
Other	-	-	1,242	1,242
Total revenues	68,450	68,450	123,349	54,899
<b>Expenditures:</b>				
Culture and recreation:				
Current	1,495,953	1,606,537	1,478,155	128,382
Capital outlay	-	4,500	4,405	95
Total expenditures	1,495,953	1,611,037	1,482,560	128,477
Excess (deficiency) of revenues over expenditures	(1,427,503)	(1,542,587)	(1,359,211)	183,376
Other financing sources (uses):				
Transfers in	1,364,466	1,384,474	1,384,474	-
Total other financing sources (uses)	1,364,466	1,384,474	1,384,474	-
Net change in fund balance	(63,037)	(158,113)	25,263	183,376
Fund balance, beginning of year	409,733	409,733	409,733	-
<b>Fund balance, end of year</b>	<b>\$ 346,696</b>	<b>\$ 251,620</b>	<b>\$ 434,996</b>	<b>\$ 183,376</b>



**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Special Revenue**  
**Tierra Contenta**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
Fees and charges for service	\$ -	\$ 13,000	\$ 32,501	\$ 19,501
Investment income	35,650	35,650	45,672	10,022
Sale of fixed assets/land	-	428,823	428,823	-
<b>Total revenues</b>	<b>35,650</b>	<b>477,473</b>	<b>506,996</b>	<b>29,523</b>
<b>Expenditures:</b>				
Culture and recreation:				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>35,650</b>	<b>477,473</b>	<b>506,996</b>	<b>29,523</b>
<b>Net change in fund balance</b>	<b>35,650</b>	<b>477,473</b>	<b>506,996</b>	<b>29,523</b>
<b>Fund balance, beginning of year</b>	<b>1,591,053</b>	<b>1,591,053</b>	<b>1,591,053</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 1,626,703</b>	<b>\$ 2,068,526</b>	<b>\$ 2,098,049</b>	<b>\$ 29,523</b>

CITY OF SANTA FE, NEW MEXICO  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Special Revenue  
Special Recreation Leagues  
For the Year Ended June 30, 2005

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Donations and support	\$ 82,400	\$ 82,400	\$ 69,483	\$ (12,917)
Investment income	1,900	1,900	2,032	132
Total revenues	84,300	84,300	71,515	(12,785)
<b>Expenditures:</b>				
Culture and recreation:				
Current	76,800	85,330	69,228	16,102
Capital outlay	-	7,900	-	7,900
Total expenditures	76,800	93,230	69,228	24,002
Net change in fund balance	7,500	(8,930)	2,287	11,217
Fund balance, beginning of year	67,572	67,572	67,572	-
<b>Fund balance, end of year</b>	<b>\$ 75,072</b>	<b>\$ 58,642</b>	<b>\$ 69,859</b>	<b>\$ 11,217</b>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***Paving Districts*** – to account for the design, construction and paving of various roadways in the City.

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

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½% CIP GRT- to account for the City's portion of gross receipts taxes collected by the State of New Mexico per Ordinance No. 1891-45

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**CITY OF SANTA FE, NEW MEXICO**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**Capital Projects**  
**June 30, 2005**

**Assets**

	<b>Cash, Investments and Cash Equivalents</b>	<b>Tax Receivable</b>	<b>Grants Receivable</b>	<b>Interest Receivable</b>	<b>Other Receivables</b>	<b>Total Assets</b>
<b>General Government:</b>						
CIP Reallocation	\$ 259,156	\$ -	\$ -	\$ 149,737	\$ -	\$ 408,893
Building Renovations	2,187,603	-	299,741	-	-	2,487,344
Total General Government	2,446,759	-	299,741	149,737	-	2,896,237
<b>Public Works:</b>						
Beautif. of Major Arterials	14,383	-	-	-	-	14,383
Bond Acquisition	1,908,960	-	-	-	-	1,908,960
City Drainage Projects	120,065	-	-	-	-	120,065
Landfill Projects	70,819	-	-	-	-	70,819
City Paving Projects	996,624	206,355	167,148	3,927	-	1,374,054
Santa Fe River Channel	1,179,824	-	5,964	-	-	1,185,788
City Signalization Projects	495,802	-	15,124	-	130,908	641,834
City Street Const. Projects	4,634,387	-	69,433	-	-	4,703,820
City Sidewalk Projects	331,857	-	-	-	-	331,857
Zia Road Street Lighting	122,448	-	-	-	-	122,448
Total Public Works	9,875,169	206,355	257,669	3,927	130,908	10,474,028
<b>Community Development:</b>						
Public Care Facilities	438,923	-	139,241	-	-	578,164
Total Community Development	438,923	-	139,241	-	-	578,164
<b>Culture and Recreation:</b>						
Art for CIP Projects	151,946	-	-	-	-	151,946
Affordable Housing Program	932,000	-	-	-	-	932,000
Museums	-	-	126,830	-	-	126,830
City Parks Improvements	4,126,210	-	186,567	-	2,550	4,315,327
Open Space Acquisition	1,067,645	-	-	-	-	1,067,645
Library Improvements	4,943,937	-	-	-	-	4,943,937
Total Culture and Recreation	11,221,738	-	313,397	-	2,550	11,537,685
<b>Totals - June 30, 2005</b>	<b>\$ 23,982,589</b>	<b>\$ 206,355</b>	<b>\$ 1,010,048</b>	<b>\$ 153,664</b>	<b>\$ 133,458</b>	<b>\$ 25,486,114</b>

Liabilities						Fund Balances				
Accounts Payable	Compensated Absences Payable	Accured Wages Payable	Due to Other Funds	Deposits/ Escrows	Total Liabilities	Unreserved	Total Fund Balances	Total Liabilities and Fund Balances		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 408,893	\$ 408,893	\$ 408,893		
17,912	-	4,193	-	-	22,105	2,465,239	2,465,239	2,487,344		
17,912	-	4,193	-	-	22,105	2,874,132	2,874,132	2,896,237		
-	-	-	-	-	-	14,383	14,383	14,383		
127,116	-	-	-	-	127,116	1,781,844	1,781,844	1,908,960		
267	-	-	-	-	267	119,798	119,798	120,065		
-	-	-	-	-	-	70,819	70,819	70,819		
227,711	47,883	21,805	-	-	297,399	1,076,655	1,076,655	1,374,054		
4,993	-	-	-	-	4,993	1,180,795	1,180,795	1,185,788		
21,696	-	-	-	-	21,696	620,138	620,138	641,834		
114,658	-	2,938	-	100,000	217,596	4,486,224	4,486,224	4,703,820		
86,870	-	-	-	-	86,870	244,987	244,987	331,857		
-	-	-	-	-	-	122,448	122,448	122,448		
583,311	47,883	24,743	-	100,000	755,937	9,718,091	9,718,091	10,474,028		
81,061	-	-	-	-	81,061	497,103	497,103	578,164		
81,061	-	-	-	-	81,061	497,103	497,103	578,164		
3,726	-	1,158	-	-	4,884	147,062	147,062	151,946		
-	-	-	-	-	-	932,000	932,000	932,000		
-	-	-	126,197	-	126,197	633	633	126,830		
219,743	-	15,017	-	-	234,760	4,080,567	4,080,567	4,315,327		
-	-	-	-	-	-	1,067,645	1,067,645	1,067,645		
-	-	-	-	-	-	4,943,937	4,943,937	4,943,937		
223,469	-	16,175	126,197	-	365,841	11,171,844	11,171,844	11,537,685		
\$ 905,753	\$ 47,883	\$ 45,111	\$ 126,197	\$ 100,000	\$ 1,224,944	\$ 24,261,170	\$ 24,261,170	\$ 25,486,114		



**CITY OF SANTA FE, NEW MEXICO**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Capital Projects**  
**For the Year Ended June 30, 2005**

	Revenues					Expenditures	
	Taxes	Intergov- ernmental	Investment Income	Other Revenues	Total Revenues	Current	Capital Outlay
<b>General Government:</b>							
CIP Reallocation	\$ -	\$ -	\$ 761,424	\$ -	\$ 761,424	\$ -	\$ -
Building Renovations	-	299,741	-	300	300,041	131,943	1,140,872
Total General Government	-	299,741	761,424	300	1,061,465	131,943	1,140,872
<b>Public Works:</b>							
Beautif. of Major Arterials	-	-	-	-	-	-	3,689
Bond Acquisition	-	3,832	-	-	3,832	-	151,216
City Drainage Projects	-	-	-	-	-	5,192	267
Landfill Projects	-	-	-	-	-	-	17,596
City Paving Projects	1,066,714	277,686	20,454	750	1,365,604	846,713	853,883
Santa Fe River Channel	-	12,669	-	-	12,669	-	61,658
City Signalization Projects	-	6,052	-	130,908	136,960	-	1,167,500
City Street Const. Projects	-	1,025,941	-	-	1,025,941	11,659	2,135,682
City Sidewalk Projects	-	-	-	-	-	57,515	248,748
Zia Road Street Lighting	-	-	-	-	-	-	38,696
Total Public Works	1,066,714	1,326,180	20,454	131,658	2,545,006	921,079	4,678,935
<b>Community Development:</b>							
Public Care Facilities	-	120,244	-	-	120,244	-	123,504
Total Community Development	-	120,244	-	-	120,244	-	123,504
<b>Culture and Recreation:</b>							
Art for CIP Projects	-	-	-	-	-	68,552	-
Affordable Housing Program	-	-	-	-	-	-	68,000
Museums	-	126,830	-	-	126,830	-	130,576
City Parks Improvements	-	197,430	-	207	197,637	97,147	1,859,697
Railyard Property	-	-	-	-	-	-	-
Open Space Acquisition	-	-	-	-	-	-	96,456
Library Improvements	-	-	-	-	-	-	48,786
Total Culture and Recreation	-	324,260	-	207	324,467	165,699	2,203,515
<b>Special Assessments:</b>							
Paving Districts	-	-	-	-	-	-	-
Total Special Assessments	-	-	-	-	-	-	-
<b>Totals - June 30, 2005</b>	<b>\$ 1,066,714</b>	<b>\$ 2,070,425</b>	<b>\$ 781,878</b>	<b>\$ 132,165</b>	<b>\$ 4,051,182</b>	<b>\$ 1,218,721</b>	<b>\$ 8,146,826</b>

Other Financing Sources (Uses)						Fund Balances	
Commitment Expenditures	Total Expenditures	Excess (Deficiency) of Revenues Over Expenditures	Transfers In	Transfers (Out)	Net Changes In Fund Balances	Beginning of year	End of Year
\$ -	\$ -	\$ 761,424	\$ 100,000	\$ (452,548)	\$ 408,876	\$ 17	\$ 408,893
-	1,272,815	(972,774)	468,463	(40,969)	(545,280)	3,010,519	2,465,239
-	1,272,815	(211,350)	568,463	(493,517)	(136,404)	3,010,536	2,874,132
-	3,689	(3,689)	-	-	(3,689)	18,072	14,383
-	151,216	(147,384)	525,498	-	378,114	1,403,730	1,781,844
-	5,459	(5,459)	-	-	(5,459)	125,257	119,798
-	17,596	(17,596)	-	-	(17,596)	88,415	70,819
227,474	1,928,070	(562,466)	-	(150,000)	(712,466)	1,789,121	1,076,655
-	61,658	(48,989)	-	-	(48,989)	1,229,784	1,180,795
-	1,167,500	(1,030,540)	809,160	(114,525)	(335,905)	956,043	620,138
-	2,147,341	(1,121,400)	22,312	(66,586)	(1,165,674)	5,651,898	4,486,224
-	306,263	(306,263)	-	-	(306,263)	551,250	244,987
-	38,696	(38,696)	-	(22,312)	(61,008)	183,456	122,448
227,474	5,827,488	(3,282,482)	1,356,970	(353,423)	(2,278,935)	11,997,026	9,718,091
-	123,504	(3,260)	-	(148,081)	(151,341)	648,444	497,103
-	123,504	(3,260)	-	(148,081)	(151,341)	648,444	497,103
-	68,552	(68,552)	-	-	(68,552)	215,614	147,062
-	68,000	(68,000)	-	-	(68,000)	1,000,000	932,000
-	130,576	(3,746)	-	-	(3,746)	4,379	633
-	1,956,844	(1,759,207)	45,122	(1,060,912)	(2,774,997)	6,855,564	4,080,567
-	-	-	-	(350,000)	(350,000)	350,000	-
-	96,456	(96,456)	722,000	-	625,544	442,101	1,067,645
-	48,786	(48,786)	-	-	(48,786)	4,992,723	4,943,937
-	2,369,214	(2,044,747)	767,122	(1,410,912)	(2,688,537)	13,860,381	11,171,844
-	-	-	-	(93,116)	(93,116)	93,116	-
-	-	-	-	(93,116)	(93,116)	93,116	-
\$ 227,474	\$ 9,593,021	\$ (5,541,839)	\$ 2,692,555	\$ (2,499,049)	\$ (5,348,333)	\$ 29,609,503	\$ 24,261,170

**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, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>Revenues:</b>				
Investment income	\$ 558,000	\$ 558,000	\$ 761,424	\$ 203,424
Total revenues	558,000	558,000	761,424	203,424
<b>Expenditures:</b>				
General government:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	558,000	558,000	761,424	203,424
Other financing sources (uses):				
Transfer in	-	100,000	100,000	-
Transfers out	(352,548)	(452,548)	(452,548)	-
Total other financing sources (uses)	(352,548)	(352,548)	(352,548)	-
Net change in fund balance	205,452	205,452	408,876	203,424
Fund balance, beginning of year	17	17	17	-
<b>Fund balance, end of year</b>	<b>\$ 205,469</b>	<b>\$ 205,469</b>	<b>\$ 408,893</b>	<b>\$ 203,424</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Building Renovations**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 457,673	\$ 555,132	\$ 299,741	\$ (255,391)
Other revenues	-	300	300	-
Total revenues	457,673	555,432	300,041	(255,391)
<b>Expenditures:</b>				
General government:				
Current	200,020	289,051	131,943	157,108
Capital outlay	684,896	3,619,568	1,140,872	2,478,696
Total expenditures	884,916	3,908,619	1,272,815	2,635,804
Excess (deficiency) of revenues over expenditures	(427,243)	(3,353,187)	(972,774)	2,380,413
Other financing sources (uses):				
Transfers in	131,548	468,463	468,463	-
Transfers out	-	(40,969)	(40,969)	-
Total other financing sources (uses)	131,548	427,494	427,494	-
Net change in fund balance	(295,695)	(2,925,693)	(545,280)	2,380,413
Fund balance, beginning of year	3,010,519	3,010,519	3,010,519	-
<b>Fund balance, end of year</b>	<b>\$ 2,714,824</b>	<b>\$ 84,826</b>	<b>\$ 2,465,239</b>	<b>\$ 2,380,413</b>

CITY OF SANTA FE, NEW MEXICO  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Capital Projects  
Beautification of Major Arterials  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts		Variance with Final Budget- Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-	-
<b>Expenditures:</b>					
Public works:					
Capital outlay	14,606	18,072	3,689	14,383	
Total expenditures	14,606	18,072	3,689	14,383	
Excess (deficiency) of revenues over expenditures	(14,606)	(18,072)	(3,689)	14,383	
Net change in fund balance	(14,606)	(18,072)	(3,689)	14,383	
Fund balance, beginning of year	18,072	18,072	18,072	-	
<b>Fund balance, end of year</b>	<b>\$ 3,466</b>	<b>\$ -</b>	<b>\$ 14,383</b>	<b>\$ 14,383</b>	

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Bond Acquisition**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>		<b>Variance with Final Budget- Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 15,000	\$ 376,557	\$ 3,832	\$ (372,725)
Total revenues	15,000	376,557	3,832	(372,725)
<b>Expenditures:</b>				
Public works:				
Current	-	-	-	-
Capital outlay	4,420	906,055	151,216	754,839
Total expenditures	4,420	906,055	151,216	754,839
Excess (deficiency) of revenues over expenditures	10,580	(529,498)	(147,384)	382,114
Other financing sources (uses):				
Transfers in	-	525,498	525,498	-
Total other financing sources (uses)	-	525,498	525,498	-
Net change in fund balance	10,580	(4,000)	378,114	382,114
Fund balance, beginning of year	1,403,730	1,403,730	1,403,730	-
<b>Fund balance, end of year</b>	<b>\$ 1,414,310</b>	<b>\$ 1,399,730</b>	<b>\$ 1,781,844</b>	<b>\$ 382,114</b>

CITY OF SANTA FE, NEW MEXICO  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Capital Projects  
City Drainage Projects  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts		Variance with Final Budget- Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-	-
<b>Expenditures:</b>					
Public works:					
Current	3,142	6,383	5,192		1,191
Capital outlay	13,892	108,447	267		108,180
Total expenditures	17,034	114,830	5,459		109,371
Excess (deficiency) of revenues over expenditures	(17,034)	(114,830)	(5,459)		109,371
Other financing sources (uses):					
Operating transfers in	-	-	-		-
Total other financing sources (uses)	-	-	-		-
Net change in fund balance	(17,034)	(114,830)	(5,459)		109,371
Fund balance, beginning of year	125,257	125,257	125,257		-
<b>Fund balance, end of year</b>	<b>\$ 108,223</b>	<b>\$ 10,427</b>	<b>\$ 119,798</b>	<b>\$</b>	<b>109,371</b>

CITY OF SANTA FE, NEW MEXICO  
Capital Projects Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Capital Projects  
Landfill Projects  
For the Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Public works:				
Capital outlay	-	88,414	17,596	70,818
Total expenditures	-	88,414	17,596	70,818
Excess (deficiency) of revenues over expenditures	-	(88,414)	(17,596)	70,818
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	(88,414)	(17,596)	70,818
Fund balance, beginning of year	88,415	88,415	88,415	-
<b>Fund balance, end of year</b>	<b>\$ 88,415</b>	<b>\$ 1</b>	<b>\$ 70,819</b>	<b>\$ 70,818</b>



**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**City Paving Projects**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Taxes	\$ 939,500	\$ 939,500	\$ 1,066,714	\$ 127,214	
Intergovernmental	397,713	383,251	277,686	(105,565)	
Interest on investments	19,000	19,000	20,454	1,454	
Other revenues	-	-	750	750	
Total revenues	1,356,213	1,341,751	1,365,604	23,853	
<b>Expenditures:</b>					
Public works:					
Current	845,115	852,942	846,713	6,229	
Capital outlay	450,129	1,154,067	853,883	300,184	
Commitments					
Principal payments	174,051	174,051	213,894	(39,843)	
Interest payments	49,482	49,482	13,580	35,902	
Total expenditures	1,518,777	2,230,542	1,928,070	302,472	
Excess (deficiency) of revenues over expenditures	(162,564)	(888,791)	(562,466)	326,325	
Other financing sources (uses):					
Transfers in	-	-	-	-	
Transfers out	-	(150,000)	(150,000)	-	
Total other financing sources (uses)	-	(150,000)	(150,000)	-	
Net change in fund balance	(162,564)	(1,038,791)	(712,466)	326,325	
Fund balance, beginning of year	1,789,121	1,789,121	1,789,121	-	
<b>Fund balance, end of year</b>	<b>\$ 1,626,557</b>	<b>\$ 750,330</b>	<b>\$ 1,076,655</b>	<b>\$ 326,325</b>	

CITY OF SANTA FE, NEW MEXICO  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Capital Projects  
Santa Fe River Channel  
For the Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Intergovernmental	\$ 151,352	\$ 151,352	\$ 12,669	\$ (138,683)
Total revenues	151,352	151,352	12,669	(138,683)
<b>Expenditures:</b>				
Public works:				
Capital outlay	1,221,153	1,263,138	61,658	1,201,480
Total expenditures	1,221,153	1,263,138	61,658	1,201,480
Excess (deficiency) of revenues over expenditures	(1,069,801)	(1,111,786)	(48,989)	1,062,797
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(1,069,801)	(1,111,786)	(48,989)	1,062,797
Fund balance, beginning of year	1,229,784	1,229,784	1,229,784	-
<b>Fund balance, end of year</b>	<b>\$ 159,983</b>	<b>\$ 117,998</b>	<b>\$ 1,180,795</b>	<b>\$ 1,062,797</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**City Signalization Projects**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Intergovernmental	\$ 405,000	\$ 312,598	\$ 6,052	\$	(306,546)
Other revenue	100,000	131,000	130,908		(92)
Total revenues	505,000	443,598	136,960		(306,638)
<b>Expenditures:</b>					
Public works:					
Current	-	-	-		-
Capital outlay	1,058,029	2,132,485	1,167,500		964,985
Total expenditures	1,058,029	2,132,485	1,167,500		964,985
Excess (deficiency) of revenues over expenditures	(553,029)	(1,688,887)	(1,030,540)		658,347
Other financing sources (uses):					
Transfers in	-	848,655	809,160		(39,495)
Transfers out	-	(114,525)	(114,525)		-
Total other financing sources (uses)	-	734,130	694,635		(39,495)
Net change in fund balance	(553,029)	(954,757)	(335,905)		618,852
Fund balance, beginning of year	956,043	956,043	956,043		-
<b>Fund balance, end of year</b>	<b>\$ 403,014</b>	<b>\$ 1,286</b>	<b>\$ 620,138</b>	<b>\$</b>	<b>618,852</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**City Street Construction Projects**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 2,768,599	\$ 2,269,961	\$ 1,025,941	\$ (1,244,020)
Other revenue	-	-	-	-
Total revenues	2,768,599	2,269,961	1,025,941	(1,244,020)
<b>Expenditures:</b>				
Public works:				
Current	96,248	99,360	11,659	87,701
Capital outlay	2,691,560	7,648,215	2,135,682	5,512,533
Total expenditures	2,787,808	7,747,575	2,147,341	5,600,234
Excess (deficiency) of revenues over expenditures	(19,209)	(5,477,614)	(1,121,400)	4,356,214
Other financing sources (uses):				
Transfers in	-	22,312	22,312	-
Transfers out	-	(66,586)	(66,586)	-
Total other financing sources (uses)	-	(44,274)	(44,274)	-
Net change in fund balance	(19,209)	(5,521,888)	(1,165,674)	4,356,214
Fund balance, beginning of year	5,651,898	5,651,898	5,651,898	-
<b>Fund balance, end of year</b>	<b>\$ 5,632,689</b>	<b>\$ 130,010</b>	<b>\$ 4,486,224</b>	<b>\$ 4,356,214</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**City Sidewalk Projects**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>			
<b>Revenues:</b>					
Intergovernmental	\$ 94,130	\$ 94,130	\$ -	\$ -	(94,130)
Other revenue	-	-	-	-	-
Total revenues	94,130	94,130	-	\$ -	(94,130)
<b>Expenditures:</b>					
Public works:					
Current	-	-	57,515		(57,515)
Capital outlay	239,922	597,636	248,748		348,888
Total expenditures	239,922	597,636	306,263		291,373
Excess (deficiency) of revenues over expenditures	(145,792)	(503,506)	(306,263)		197,243
Other financing sources (uses):					
Operating transfers in	-	-	-		-
Operating transfers (out)	-	-	-		-
Total other financing sources (uses)	-	-	-		-
Net change in fund balance	(145,792)	(503,506)	(306,263)		197,243
Fund balance, beginning of year	551,250	551,250	551,250		-
<b>Fund balance, end of year</b>	<b>\$ 405,458</b>	<b>\$ 47,744</b>	<b>\$ 244,987</b>	<b>\$ -</b>	<b>197,243</b>

CITY OF SANTA FE, NEW MEXICO  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Capital Projects  
Zia Road Street Lighting  
For the Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Public works:				
Capital outlay	223,055	157,194	38,696	118,498
Total expenditures	223,055	157,194	38,696	118,498
Excess (deficiency) of revenues over expenditures	(223,055)	(157,194)	(38,696)	118,498
Other financing sources (uses):				
Operating transfers (out)	-	(22,312)	(22,312)	-
Net change in fund balance	(223,055)	(179,506)	(61,008)	118,498
Fund balance, beginning of year	183,456	183,456	183,456	-
<b>Fund balance, end of year</b>	<b>\$ (39,599)</b>	<b>\$ 3,950</b>	<b>\$ 122,448</b>	<b>\$ 118,498</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Public Care Facilities**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 203,354	\$ 1,003,093	\$ 120,244	\$ (882,849)
Total revenues	203,354	1,003,093	120,244	(882,849)
<b>Expenditures:</b>				
Community welfare:				
Capital outlay	739,781	1,134,921	123,504	1,011,417
Total expenditures	739,781	1,134,921	123,504	1,011,417
Excess (deficiency) of revenues over expenditures	(536,427)	(131,828)	(3,260)	128,568
Other financing sources (uses):				
Transfers out	-	(148,081)	(148,081)	-
Total other financing sources (uses)	-	(148,081)	(148,081)	-
Net change in fund balance	(536,427)	(279,909)	(151,341)	128,568
Fund balance, beginning of year	648,444	648,444	648,444	-
<b>Fund balance, end of year</b>	<b>\$ 112,017</b>	<b>\$ 368,535</b>	<b>\$ 497,103</b>	<b>\$ 128,568</b>

CITY OF SANTA FE, NEW MEXICO  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Capital Projects  
Art for CIP Projects  
For the Year Ended June 30, 2005

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Culture and recreation:				
Current	144,557	186,647	68,552	118,095
Total expenditures	144,557	186,647	68,552	118,095
Excess (deficiency) of revenues over expenditures	(144,557)	(186,647)	(68,552)	118,095
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(144,557)	(186,647)	(68,552)	118,095
Fund balance, beginning of year	215,614	215,614	215,614	-
<b>Fund balance, end of year</b>	<b>\$ 71,057</b>	<b>\$ 28,967</b>	<b>\$ 147,062</b>	<b>\$ 118,095</b>



CITY OF SANTA FE, NEW MEXICO  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Capital Projects  
Affordable Housing Program  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Culture and recreation:				
Capital outlay	500,000	1,000,000	68,000	932,000
Total expenditures	500,000	1,000,000	68,000	932,000
Excess (deficiency) of revenues over expenditures	(500,000)	(1,000,000)	(68,000)	932,000
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(500,000)	(1,000,000)	(68,000)	932,000
Fund balance, beginning of year	1,000,000	1,000,000	1,000,000	-
<b>Fund balance, end of year</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ 932,000</b>	<b>\$ 932,000</b>

CITY OF SANTA FE, NEW MEXICO  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Capital Projects  
Museums  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts		Variance with Final Budget- Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Intergovernmental	\$ 198,000	\$ 126,830	\$ 126,830	\$	-
Total revenues	198,000	126,830	126,830		-
<b>Expenditures:</b>					
Culture and recreation:					
Capital outlay	186,975	131,008	130,576		432
Total expenditures	186,975	131,008	130,576		432
Excess (deficiency) of revenues over expenditures	11,025	(4,178)	(3,746)		432
Net change in fund balance	11,025	(4,178)	(3,746)		432
Fund balance, beginning of year	4,379	4,379	4,379		-
<b>Fund balance, end of year</b>	<b>\$ 15,404</b>	<b>\$ 201</b>	<b>\$ 633</b>	<b>\$</b>	<b>432</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**City Parks Improvements**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>Revenues:</b>				
Intergovernmental	\$ 246,290	\$ 428,582	\$ 197,430	\$ (231,152)
Other revenue	-	207	207	-
Total revenues	246,290	428,789	197,637	(231,152)
<b>Expenditures:</b>				
Culture and recreation:				
Current	-	48,971	97,147	(48,176)
Capital outlay	1,439,453	5,948,997	1,859,697	4,089,300
Total expenditures	1,439,453	5,997,968	1,956,844	4,041,124
Excess (deficiency) of revenues over expenditures	(1,193,163)	(5,569,179)	(1,759,207)	3,809,972
Other financing sources (uses):				
Transfers in	-	45,122	45,122	-
Transfers out	-	(1,060,912)	(1,060,912)	-
Total other financing sources (uses)	-	(1,015,790)	(1,015,790)	-
Net change in fund balance	(1,193,163)	(6,584,969)	(2,774,997)	3,809,972
Fund balance, beginning of year	6,855,564	6,855,564	6,855,564	-
<b>Fund balance, end of year</b>	<b>\$ 5,662,401</b>	<b>\$ 270,595</b>	<b>\$ 4,080,567</b>	<b>\$ 3,809,972</b>

CITY OF SANTA FE, NEW MEXICO  
Capital Projects Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Capital Projects  
Railyard Property  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
<b>Expenditures:</b>				
Culture and recreation:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	(350,000)	(350,000)	-
Total other financing sources (uses)	-	(350,000)	(350,000)	-
Net change in fund balance	-	(350,000)	(350,000)	-
Fund balance, beginning of year	-	350,000	350,000	-
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Open Space Acquisition**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
Intergovernmental	\$ 402,364	\$ 283,364	\$ -	\$ (283,364)
Total revenues	402,364	283,364	-	(283,364)
<b>Expenditures:</b>				
Culture and recreation:				
Current	-	200,000	-	200,000
Capital outlay	579,598	1,177,485	96,456	1,081,029
Total expenditures	579,598	1,377,485	96,456	1,281,029
Excess (deficiency) of revenues over expenditures	(177,234)	(1,094,121)	(96,456)	997,665
Other financing sources (uses):				
Transfers in	-	722,000	722,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	722,000	722,000	-
Net change in fund balance	(177,234)	(372,121)	625,544	997,665
Fund balance, beginning of year	442,101	442,101	442,101	-
<b>Fund balance, end of year</b>	<b>\$ 264,867</b>	<b>\$ 69,980</b>	<b>\$ 1,067,645</b>	<b>\$ 997,665</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**Capital Projects**  
**Library Improvements**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amount	
<b>Revenues:</b>				
Intergovernmental	\$ 25,000	\$ 1,065,770	\$ -	\$ (1,065,770)
Total revenues	25,000	1,065,770	-	(1,065,770)
<b>Expenditures:</b>				
Cultural and Recreation:				
Capital Outlay	145,865	6,022,909	48,786	5,974,123
Total expenditures	145,865	6,022,909	48,786	5,974,123
Excess (deficiency) of revenues over expenditures	(120,865)	(4,957,139)	(48,786)	4,908,353
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	(120,865)	(4,957,139)	(48,786)	4,908,353
Fund balance, beginning of year	4,992,723	4,992,723	4,992,723	-
<b>Fund balance, end of year</b>	<b>\$ 4,871,858</b>	<b>\$ 35,584</b>	<b>\$ 4,943,937</b>	<b>\$ 4,908,353</b>

CITY OF SANTA FE, NEW MEXICO  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
Capital Projects  
Paving Districts  
For the Year Ended June 30, 2005

	Budgeted Amounts		Actual Amounts		Variance with Final Budget- Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Investment income	\$ -	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-	-
<b>Expenditures:</b>					
Special assessments:					
Current	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
Other financing sources (uses):					
Operating Transfers out	-	(93,116)	(93,116)		-
Total other financing source (uses)	-	(93,116)	(93,116)		-
Net change in fund balance	-	(93,116)	(93,116)		-
Fund balance, beginning of year	93,116	93,116	93,116		-
<b>Fund balance, end of year</b>	<b>\$ 93,116</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Major Governmental Fund**  
**Capital Projects**  
**1/2 % Gross Receipts Tax**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>		<b>Variance with Final Budget- Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>Revenues:</b>				
Taxes	\$ 13,589,696	\$ 13,811,078	\$ 13,780,913	\$ (30,165)
Other Revenue	-	-	80,657	80,657
Total revenues	13,589,696	13,811,078	13,861,570	50,492
<b>Expenditures:</b>				
General government:				
Current	1,896,767	2,462,233	2,132,799	329,434
Capital outlay	59,400	89,940	70,607	19,333
Total expenditures	1,956,167	2,552,173	2,203,406	348,767
Excess (deficiency) of revenues over expenditures	11,633,529	11,258,905	11,658,164	399,259
Other financing sources (uses):				
Transfers in	-	8,510	8,510	-
Transfers out	(9,928,978)	(10,582,279)	(10,582,279)	-
Total other financing sources (uses)	(9,928,978)	(10,573,769)	(10,573,769)	-
Net change in fund balance	1,704,551	685,136	1,084,395	399,259
Fund balance, beginning of year	25,391,971	25,391,971	25,391,971	-
<b>Fund balance, end of year</b>	<b>\$ 27,096,522</b>	<b>\$ 26,077,107</b>	<b>\$ 26,476,366</b>	<b>\$ 399,259</b>



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

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

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**CITY OF SANTA FE, NEW MEXICO**  
**Major Governmental Fund**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Investment income	\$ 199,550	\$ 29,372	\$ 72,561	\$ 43,189
Total revenues	199,550	29,372	72,561	43,189
<b>Expenditures:</b>				
Debt service:				
Principal payments	7,420,000	7,600,000	7,600,000	-
Interest payments	5,714,119	5,479,922	5,139,497	340,425
Professional services	125,700	141,397	352,596	(211,199)
Other	-	20,597	20,597	-
Total expenditures	13,259,819	13,241,916	13,112,690	129,226
Excess (deficiency) of revenues over expenditures	(13,060,269)	(13,212,544)	(13,040,129)	172,415
Other financing sources (uses):				
Operating transfers in	13,244,119	14,206,963	14,206,963	-
Other financing uses	-	1,466,667	1,466,667	-
Issuance of bonds				
Face value of bonds issued	-	-	8,470,000	8,470,000
Premium on issuance of bond	-	-	133,355	133,355
Payments to refund bond	-	-	(8,399,880)	(8,399,880)
Operating transfers out	-	(3,213,550)	(3,213,550)	-
Total other financing sources (uses)	13,244,119	12,460,080	12,663,555	203,475
Net change in fund balance	183,850	(752,464)	(376,574)	375,890
Fund balance, beginning of year	4,128,579	4,128,579	4,128,579	-
<b>Fund balance, end of year</b>	<b>\$ 4,312,429</b>	<b>\$ 3,376,115</b>	<b>\$ 3,752,005</b>	<b>\$ 375,890</b>

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## Nonmajor Enterprise Funds

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

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

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

***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-*** to account for the operation of the community recreational center.

## Major Enterprise Funds Budget vs Actual

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

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

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

***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.

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**CITY OF SANTA FE, NEW MEXICO**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**June 30, 2005**

	<b>Sweeney Convention Center</b>	<b>Solid Waste Management</b>	<b>Parking Enterprise Fund</b>
<b>Assets</b>			
Current assets:			
Cash, investments and cash equivalents	\$ 4,082,994	\$ 3,898,451	\$ 4,310,398
Grants receivable	-	-	-
Accounts receivable (net of allowances)	13,810	1,375,605	94,437
Interest receivable	15,358	19,798	22,054
Total current assets	4,112,162	5,293,854	4,426,889
Noncurrent assets:			
Capital assets:			
Land and land rights	-	-	-
Buildings and systems	712,647	6,220	2,334,359
Less accumulated depreciation	(712,647)	(1,422)	(769,704)
Improvements	-	533,179	113,620
Less accumulated depreciation	-	(111,869)	(111,916)
Furniture and fixtures	94,068	23,867	25,754
Less accumulated depreciation	(92,795)	(17,128)	(17,170)
Equipment and machinery	228,191	1,620,788	262,921
Less accumulated depreciation	(208,155)	(1,339,835)	(196,203)
Vehicles	12,850	7,007,345	205,219
Less accumulated depreciation	(12,850)	(4,525,751)	(189,704)
Data processing equipment and software	38,501	97,182	740,355
Less accumulated depreciation	(36,593)	(60,978)	(484,583)
Art	-	-	-
Construction in progress	1,064,485	147,354	40,797
Total capital assets (net of accumulated depreciation)	1,087,702	3,378,952	1,953,745
Total noncurrent assets	1,087,702	3,378,952	1,953,745
<b>Total assets</b>	<b>\$ 5,199,864</b>	<b>\$ 8,672,806</b>	<b>\$ 6,380,634</b>

Transit Bus System	Airport	GCCC	Totals	
				<b>Assets</b>
				Current assets:
\$ 1,712,561	\$ 402,855	\$ 985,069	\$ 15,392,328	Cash, investments and cash equivalents
352,473	165,077	-	517,550	Grants receivable
-	-	24,428	1,508,280	Accounts receivable (net of allowances)
9,391	2,348	4,956	73,905	Interest receivable
2,074,425	570,280	1,014,453	17,492,063	Total current assets
				Noncurrent assets:
				Capital assets:
-	1	1,285,359	1,285,360	Land and land rights
3,704,468	755,998	22,954,454	30,468,146	Buildings and systems
(492,535)	(92,438)	(2,756,054)	(4,824,800)	Less accumulated depreciation
766,447	5,413,589	94,621	6,921,456	Improvements
(551,327)	(4,454,503)	(46,522)	(5,276,137)	Less accumulated depreciation
7,423	-	40,830	191,942	Furniture and fixtures
(2,268)	-	(38,811)	(168,172)	Less accumulated depreciation
752,629	787,894	440,826	4,093,249	Equipment and machinery
(380,307)	(626,067)	(264,176)	(3,014,743)	Less accumulated depreciation
5,582,748	41,391	21,278	12,870,831	Vehicles
(3,385,035)	(41,391)	(13,521)	(8,168,252)	Less accumulated depreciation
280,488	5,790	221,934	1,384,250	Data processing equipment and software
(116,728)	(5,790)	(159,718)	(864,390)	Less accumulated depreciation
180,971	-	-	180,971	Art
304,567	3,506,810	419,748	5,483,761	Construction in progress
6,651,541	5,291,284	22,200,248	40,563,472	Total capital assets (net of accumulated depreciation)
6,651,541	5,291,284	22,200,248	40,563,472	Total noncurrent assets
<b>\$ 8,725,966</b>	<b>\$ 5,861,564</b>	<b>\$ 23,214,701</b>	<b>\$ 58,055,535</b>	<b>Total assets</b>



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**CITY OF SANTA FE, NEW MEXICO**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**June 30, 2005**

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	<b>Sweeney Convention Center</b>	<b>Solid Waste Management</b>	<b>Parking Enterprise Fund</b>
<hr/>			
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 78,650	\$ 26,616	\$ 71,472
Miscellaneous payable	-	68,535	-
Compensated absences payable	61,718	377,854	211,647
Accrued wages payable	20,573	128,801	83,728
Benefits payable	5,068	41,530	25,782
Deposits and escrows	23,030	-	6,503
	<hr/>		
Total current liabilities	189,039	643,336	399,132
	<hr/>		
<b>Net assets</b>			
Invested in capital assets, net of related debt	1,087,702	3,378,952	1,953,745
Unrestricted	3,923,123	4,650,518	4,027,757
	<hr/>		
<b>Total net assets</b>	<b>\$ 5,010,825</b>	<b>\$ 8,029,470</b>	<b>\$ 5,981,502</b>
	<hr/>		

Transit Bus System	Airport	GCCC	Totals
\$ 138,810	\$ 10,331	\$ 64,077	\$ 389,956
-	-	9,516	78,051
343,244	34,060	248,764	1,277,287
137,895	10,787	86,866	468,650
33,321	-	9,518	115,219
-	-	-	29,533
653,270	55,178	418,741	2,358,696
6,651,541	5,291,284	22,200,248	40,563,472
1,421,155	515,102	595,712	15,133,367
\$ 8,072,696	\$ 5,806,386	\$ 22,795,960	\$ 55,696,839

#### Liabilities

##### Current liabilities:

Accounts payable  
Miscellaneous payable  
Compensated absences payable  
Accrued wages payable  
Benefits payable  
Deposits and escrows

Total current liabilities

#### Net assets

Invested in capital assets, net of related debt  
Unrestricted

**Total net assets**

**Enterprise Funds**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2005**

	<b>Sweeney Convention Center</b>	<b>Solid Waste Management</b>	<b>Parking Enterprise Fund</b>	<b>Transit Bus System</b>
<b>Operating revenues:</b>				
User fees	\$ -	\$ 8,877,203	\$ 3,559,993	\$ 308,834
Facilities rentals	179,925	-	-	-
Other revenue	20,829	-	499,156	135,623
Total operating revenues	200,754	8,877,203	4,059,149	444,457
<b>Operating expenses:</b>				
Salaries, wages and benefits	596,170	3,636,505	2,264,382	3,811,193
Contractual services and utilities	105,772	1,913,840	425,974	238,518
Repairs and maintenance	15,056	354,057	93,014	233,410
Supplies	21,850	575,830	112,201	351,061
Capital outlay-inventory exempt items	2,840	163,971	8,891	63,285
Depreciation expense	14,138	886,861	315,540	865,156
Amortization expense	-	14,175	-	-
Insurance	42,942	271,378	170,752	179,901
Other	56,178	522,277	586,918	403,492
Total operating expenses	854,946	8,338,894	3,977,672	6,146,016
Operating income (loss)	(654,192)	538,309	81,477	(5,701,559)
<b>Non-operating revenues (expenses):</b>				
Investment income	40,281	93,015	102,339	22,886
Intergovernmental	-	-	-	1,468,808
Gain (Loss) on sale of capital assets	-	26,062	-	(3,349)
Interest expense	-	(34,288)	-	-
Total non-operating revenues (expenses)	40,281	84,789	102,339	1,488,345
Income (loss) before transfers	(613,911)	623,098	183,816	(4,213,214)
<b>Other financing sources (uses):</b>				
Transfers in	4,220,177	11,000	31,221	4,469,618
Transfers out	-	-	-	-
Total other financing sources (uses)	4,220,177	11,000	31,221	4,469,618
Change in net assets	3,606,266	634,098	215,037	256,404
Net assets, beginning of year	1,404,559	7,395,372	5,766,465	7,816,292
<b>Net assets, end of year</b>	<b>\$ 5,010,825</b>	<b>\$ 8,029,470</b>	<b>\$ 5,981,502</b>	<b>\$ 8,072,696</b>

			Totals	
Airport		GCCC		
\$	355,276	\$	1,246,378	\$ 14,347,684
	165,585		313,397	658,907
	1,368		18,443	675,419
	522,229		1,578,218	15,682,010
				<b>Operating revenues:</b>
	283,670	2,234,382	12,826,302	User fees
	115,094	617,501	3,416,699	Facilities rentals
	14,909	76,244	786,690	Other revenue
	19,433	104,545	1,184,920	Total operating revenues
	536	2,494	242,017	
	280,710	498,663	2,861,068	<b>Operating expenses:</b>
	-	-	14,175	Salaries, wages and benefits
	20,841	71,426	757,240	Contractual services and utilities
	27,217	307,537	1,903,619	Repairs and maintenance
	762,410	3,912,792	23,992,730	Supplies
	(240,181)	(2,334,574)	(8,310,720)	Capital outlay-inventory exempt items
				Depreciation expense
				Amortization expense
				Insurance
				Other
				Total operating expenses
				Operating income (loss)
	9,810	22,144	290,475	<b>Non-operating revenues (expenses):</b>
	280,678	24,428	1,773,914	Investment income
	-	(75,657)	(52,944)	Intergovernmental
	-	-	(34,288)	Gain (Loss) on sale of capital assets
				Interest expense
	290,488	(29,085)	1,977,157	Total non-operating revenues (expenses)
	50,307	(2,363,659)	(6,333,563)	Income (loss) before transfers
	-	2,103,240	10,835,256	<b>Other financing sources (uses):</b>
	-	(8,510)	(8,510)	Transfers in
				Transfers out
	-	2,094,730	10,826,746	Total other financing sources (uses)
	50,307	(268,929)	4,493,183	Change in net assets
	5,756,079	23,064,889	51,203,656	Net assets, beginning of year
\$	5,806,386	\$	22,795,960	\$ 55,696,839
				<b>Net assets, end of year</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2005**

	<b>Sweeney Convention Center</b>	<b>Solid Waste Management</b>	<b>Parking Enterprise Fund</b>	<b>Transit Bus System</b>
Cash flows from operating activities:				
Cash received from customers	\$ 200,753	\$ 8,999,038	\$ 4,016,640	\$ 444,457
Cash payments to suppliers for goods and services	(126,539)	(3,323,625)	(1,161,761)	(1,102,185)
Cash paid for interfund services provided and used	(52,213)	(481,490)	(208,015)	(302,384)
Cash payments to employees for services	(585,664)	(3,580,733)	(2,244,035)	(3,746,825)
Net cash provided (used) by operating activities:	(563,663)	1,613,190	402,829	(4,706,937)
Cash flows from noncapital financing activities:				
Intergovernmental	-	-	-	1,284,703
Transfers-in from other funds	4,220,177	11,000	31,221	4,469,618
Transfers-out to other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	4,220,177	11,000	31,221	5,754,321
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(270,504)	(426,045)	(143,167)	(670,455)
Proceeds from sale of capital assets	-	26,062	-	-
Principal paid on revenue bond maturities and notes payable	-	(779,462)	-	-
Interest paid on revenue bonds and notes payable	-	(34,288)	-	-
Net cash used for capital and related financing activities	(270,504)	(1,213,733)	(143,167)	(670,455)
Cash flows from investing activities:				
Interest and dividends on investments	27,658	88,272	96,541	19,700
Net cash provided by investing activities	27,658	88,272	96,541	19,700
Net increase (decrease) in cash and cash equivalents	3,413,668	498,729	387,424	396,629
Cash, investments and cash equivalents at beginning of year	669,326	3,399,722	3,922,974	1,315,932
<b>Cash, investments and cash equivalents at end of year</b>	<b>\$ 4,082,994</b>	<b>\$ 3,898,451</b>	<b>\$ 4,310,398</b>	<b>\$ 1,712,561</b>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (654,192)	\$ 538,309	\$ 81,477	\$ (5,701,559)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	14,138	901,036	315,540	865,156
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(1)	121,835	(42,509)	-
(Increase) decrease in prepaid expenses	-	14,175	-	-
Increase (decrease) in accounts payable	66,536	(17,937)	24,429	65,098
Increase (decrease) in compensated absences payable	8,016	39,358	3,682	40,261
Increase (decrease) in accrued wages payable	2,490	16,414	16,665	24,107
Increase (decrease) in escrow	(650)	-	3,545	-
Total adjustments	90,529	1,074,881	321,352	994,622
<b>Net cash provided (used) by operating activities</b>	<b>\$ (563,663)</b>	<b>\$ 1,613,190</b>	<b>\$ 402,829</b>	<b>\$ (4,706,937)</b>


Airport	GCCC	Totals
\$ 522,229	\$ 1,553,790	\$ 15,736,907
(268,357)	(994,477)	(6,976,944)
(20,000)	(191,979)	(1,256,081)
(283,569)	(2,215,325)	(12,656,151)
(49,697)	(1,847,991)	(5,152,269)
135,003	24,428	1,444,134
-	2,103,240	10,835,256
-	(8,510)	(8,510)
135,003	2,119,158	12,270,880
(198,200)	(201,935)	(1,910,306)
-	-	26,062
-	-	(779,462)
-	-	(34,288)
(198,200)	(201,935)	(2,697,994)
9,253	20,708	262,132
9,253	20,708	262,132
(103,641)	89,940	4,682,749
506,496	895,129	10,709,579
<b>\$ 402,855</b>	<b>\$ 985,069</b>	<b>\$ 15,392,328</b>
\$ (240,181)	\$ (2,334,574)	(8,310,720)
280,710	498,663	2,875,243
-	(24,428)	54,897
-	-	14,175
(90,327)	(6,709)	41,090
(994)	8,375	98,698
1,095	10,682	71,453
-	-	2,895
190,484	486,583	3,158,451
<b>\$ (49,697)</b>	<b>\$ (1,847,991)</b>	<b>\$ (5,152,269)</b>

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 equipment contracts

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 prepaid expenses

Increase (decrease) in accounts payable

Increase (decrease) in compensated absences payable

Increase (decrease) in accrued wages payable

Increase (decrease) in escrow

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**  
**Sweeney Convention Center**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Operating revenues:</b>				
Facilities rentals	\$ 127,000	\$ 127,000	\$ 179,925	\$ 52,925
Other revenue	20,000	20,000	20,829	829
Total operating revenues	147,000	147,000	200,754	53,754
<b>Operating expenses:</b>				
Salaries, wages and benefits	555,976	567,576	596,170	(28,594)
Contractual services and utilities	92,000	108,763	105,772	2,991
Repairs and maintenance	36,400	30,400	15,056	15,344
Supplies	22,700	24,821	21,850	2,971
Capital outlay-exempt items	203,000	1,583,745	2,840	1,580,905
Depreciation expense	-	-	14,138	(14,138)
Insurance	42,942	42,942	42,942	-
Other	60,529	58,029	56,178	1,851
Total operating expenses	1,013,547	2,416,276	854,946	1,561,330
Operating income (loss)	(866,547)	(2,269,276)	(654,192)	1,615,084
<b>Non-operating revenues (expenses):</b>				
Investment income	15,322	15,322	40,281	24,959
Total non-operating revenues (expenses)	15,322	15,322	40,281	24,959
Income (loss) before transfers	(851,225)	(2,253,954)	(613,911)	1,640,043
Transfers in	850,183	4,220,177	4,220,177	-
Change in net assets	(1,042)	1,966,223	3,606,266	1,640,043
Net assets, beginning of year	1,404,559	1,404,559	1,404,559	-
<b>Net assets, end of year</b>	<b>\$ 1,403,517</b>	<b>\$ 3,370,782</b>	<b>\$ 5,010,825</b>	<b>\$ 1,640,043</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Nonmajor Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Solid Waste Management**  
**For the Year Ended June 30, 2005**

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Operating revenues:</b>				
User fees	\$ 8,650,000	\$ 8,685,000	\$ 8,877,203	\$ 192,203
Total operating revenues	8,650,000	8,685,000	8,877,203	192,203
<b>Operating expenses:</b>				
Salaries, wages and benefits	3,239,832	3,658,269	3,636,505	21,764
Contractual services and utilities	2,590,840	2,256,793	1,913,840	342,953
Repairs and maintenance	354,068	385,162	354,057	31,105
Supplies	555,391	551,187	575,830	(24,643)
Capital outlay-exempt items	471,499	1,274,732	163,971	1,110,761
Amortization expense	-	-	14,175	(14,175)
Depreciation expense	-	-	886,861	(886,861)
Insurance	257,867	271,377	271,378	(1)
Other	515,000	535,756	522,277	13,479
Total operating expenses	7,984,497	8,933,276	8,338,894	594,382
Operating income (loss)	665,503	(248,276)	538,309	786,585
<b>Non-operating revenues (expenses):</b>				
Investment income	79,800	80,350	93,015	12,665
Gain (Loss) on sale of capital assets	-	-	26,062	26,062
Interest expense	(813,750)	(813,750)	(34,288)	779,462
Total non-operating revenues (expenses)	(733,950)	(733,400)	84,789	818,189
Income (loss) before transfers	(68,447)	(981,676)	623,098	1,604,774
Transfers in	11,000	11,000	11,000	-
Change in net assets	(57,447)	(970,676)	634,098	1,604,774
Net assets, beginning of year	7,395,372	7,395,372	7,395,372	-
<b>Net assets, end of year</b>	<b>\$ 7,337,925</b>	<b>\$ 6,424,696</b>	<b>\$ 8,029,470</b>	<b>\$ 1,604,774</b>



**CITY OF SANTA FE, NEW MEXICO**  
**Nonmajor Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Parking Enterprise Fund**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Operating revenues:</b>				
User fees	\$ 3,301,000	\$ 3,301,000	\$ 3,559,993	\$ 258,993
Other revenue	500,000	500,000	499,156	(844)
Total operating revenues	3,801,000	3,801,000	4,059,149	258,149
<b>Operating expenses:</b>				
Salaries, wages and benefits	2,300,450	2,342,183	2,264,382	77,801
Contractual services and utilities	369,116	451,034	425,974	25,060
Repairs and maintenance	115,600	134,339	93,014	41,325
Supplies	110,150	132,314	112,201	20,113
Capital outlay-exempt items	52,200	1,124,293	8,891	1,115,402
Depreciation expense	-	-	315,540	(315,540)
Insurance	170,752	170,752	170,752	-
Other	619,243	636,122	586,918	49,204
Total operating expenses	3,737,511	4,991,037	3,977,672	1,013,365
Operating income (loss)	63,489	(1,190,037)	81,477	1,271,514
<b>Non-operating revenues (expenses):</b>				
Investment income	97,000	97,000	102,339	5,339
Total non-operating revenues (expenses)	97,000	97,000	102,339	5,339
Income (loss) before transfers	160,489	(1,093,037)	183,816	1,276,853
Transfers in	31,221	31,221	31,221	-
Change in net assets	191,710	(1,061,816)	215,037	1,276,853
Net assets, beginning of year	5,766,465	5,766,465	5,766,465	-
<b>Net assets, end of year</b>	<b>\$ 5,958,175</b>	<b>\$ 4,704,649</b>	<b>\$ 5,981,502</b>	<b>\$ 1,276,853</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Nonmajor Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Transit Bus System**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Operating revenues:</b>				
User fees	\$ 350,000	\$ 350,000	\$ 308,834	\$ (41,166)
Other revenue	47,000	47,000	135,623	88,623
Total operating revenues	397,000	397,000	444,457	47,457
<b>Operating expenses:</b>				
Salaries, wages and benefits	3,695,345	3,728,187	3,811,193	(83,006)
Contractual services and utilities	660,288	853,388	238,518	614,870
Repairs and maintenance	225,000	228,138	233,410	(5,272)
Supplies	309,272	321,661	351,061	(29,400)
Capital outlay-exempt items	3,754,511	4,828,337	63,285	4,765,052
Depreciation expense	-	-	865,156	(865,156)
Insurance	179,901	179,901	179,901	-
Other	434,173	451,654	403,492	48,162
Total operating expenses	9,258,490	10,591,266	6,146,016	4,445,250
Operating income (loss)	(8,861,490)	(10,194,266)	(5,701,559)	4,492,707
<b>Non-operating revenues (expenses):</b>				
Investment income	38,500	38,500	22,886	(15,614)
Intergovernmental	4,937,377	5,240,791	1,468,808	(3,771,983)
Gain (Loss) on sale of capital assets	-	-	(3,349)	(3,349)
Total non-operating revenues (expenses)	4,975,877	5,279,291	1,488,345	(3,790,946)
Income (loss) before transfers	(3,885,613)	(4,914,975)	(4,213,214)	701,761
Transfers in	4,309,383	4,469,618	4,469,618	-
Change in net assets	423,770	(445,357)	256,404	701,761
Net assets, beginning of year	7,816,292	7,816,292	7,816,292	-
<b>Net assets, end of year</b>	<b>\$ 8,240,062</b>	<b>\$ 7,370,935</b>	<b>\$ 8,072,696</b>	<b>\$ 701,761</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Nonmajor Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Airport**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Operating revenues:</b>				
User fees	\$ 419,000	\$ 419,000	\$ 355,276	\$ (63,724)
Facilities rentals	105,000	105,000	165,585	60,585
Other revenue	-	-	1,368	1,368
Total operating revenues	524,000	524,000	522,229	(1,771)
<b>Operating expenses:</b>				
Salaries, wages and benefits	324,424	324,484	283,670	40,814
Contractual services and utilities	108,515	108,515	115,094	(6,579)
Repairs and maintenance	27,984	27,984	14,909	13,075
Supplies	29,358	28,151	19,433	8,718
Capital outlay-exempt items	673,920	4,910,747	536	4,910,211
Depreciation expense	-	-	280,710	(280,710)
Insurance	40,648	40,648	20,841	19,807
Other	29,235	31,505	27,217	4,288
Total operating expenses	1,234,084	5,472,034	762,410	4,709,624
Operating income (loss)	(710,084)	(4,948,034)	(240,181)	4,707,853
<b>Non-operating revenues (expenses):</b>				
Investment income	3,300	3,300	9,810	6,510
Intergovernmental	1,166,287	4,704,006	280,678	(4,423,328)
Total non-operating revenues (expenses)	1,169,587	4,707,306	290,488	(4,416,818)
Change in net assets	459,503	(240,728)	50,307	291,035
Net assets, beginning of year	5,756,079	5,756,079	5,756,079	-
<b>Net assets, end of year</b>	<b>\$ 6,215,582</b>	<b>\$ 5,515,351</b>	<b>\$ 5,806,386</b>	<b>\$ 291,035</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Nonmajor Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Genoveva Chavez Community Center**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Operating revenues:</b>				
User fees	\$ 1,268,202	\$ 1,269,402	\$ 1,246,378	\$ (23,024)
Facilities rental	241,799	263,513	313,397	49,884
Other revenue	11,000	11,000	18,443	7,443
Total operating revenues	1,521,001	1,543,915	1,578,218	34,303
<b>Operating expenses:</b>				
Salaries, wages and benefits	2,293,963	2,319,920	2,234,382	85,538
Contractual services and utility	629,288	641,325	617,501	23,824
Repairs and maintenance	82,157	105,553	76,244	29,309
Supplies	108,863	117,129	104,545	12,584
Capital outlay-exempt items	109,668	340,276	2,494	337,782
Depreciation expense	-	-	498,663	(498,663)
Insurance	76,926	76,926	71,426	5,500
Other	309,779	309,273	307,537	1,736
Total operating expenses	3,610,644	3,910,402	3,912,792	(2,390)
Operating income (loss)	(2,089,643)	(2,366,487)	(2,334,574)	31,913
<b>Non-operating revenues (expenses):</b>				
Investment income	20,000	20,000	22,144	2,144
Intergovernmental	-	115,000	24,428	(90,572)
Gain/(loss) on sale of capital assets	-	-	(75,657)	(75,657)
Total non-operating revenues (expenses)	20,000	135,000	(29,085)	(164,085)
Income (loss) before transfers	(2,069,643)	(2,231,487)	(2,363,659)	(132,172)
Transfers in	1,994,695	2,103,240	2,103,240	-
Transfers out	-	(8,510)	(8,510)	-
Change in net assets	(74,948)	(136,757)	(268,929)	(132,172)
Net assets, beginning of year	23,064,889	23,064,889	23,064,889	-
<b>Net assets, end of year</b>	<b>\$ 22,989,941</b>	<b>\$ 22,928,132</b>	<b>\$ 22,795,960</b>	<b>\$ (132,172)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Major Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Waste Water Management**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Operating revenues:</b>				
User fees	\$ 7,813,284	\$ 8,246,618	\$ 8,388,757	\$ 142,139
Other revenue	-	-	6,472	6,472
Total operating revenues	7,813,284	8,246,618	8,395,229	148,611
<b>Operating expenses:</b>				
Salaries, wages and benefits	3,817,447	4,134,290	3,827,690	306,600
Contractual services and utilities	990,758	692,487	606,448	86,039
Repairs and maintenance	651,320	984,483	467,147	517,336
Supplies	342,894	370,791	294,214	76,577
Capital outlay-exempt items	1,623	4,078,044	6,355	4,071,689
Depreciation expense	-	-	3,156,999	(3,156,999)
Insurance	644,009	656,648	656,648	-
Other	515,225	537,626	508,407	29,219
Total operating expenses	6,963,276	11,454,369	9,523,908	1,930,461
Operating income (loss)	850,008	(3,207,751)	(1,128,679)	2,079,072
<b>Non-operating revenues (expenses):</b>				
Investment income	231,000	233,200	412,843	179,643
Gain/loss on sale of capital assets	-	104,000	2,236	(101,764)
Total non-operating revenues (expenses)	231,000	337,200	415,079	77,879
Income (loss) before transfers	1,081,008	(2,870,551)	(713,600)	2,156,951
Transfers out	(33,333)	(33,333)	(33,333)	-
Change in net assets	1,047,675	(2,903,884)	(746,933)	2,156,951
Net assets, beginning of year	45,201,953	45,201,953	45,201,953	-
<b>Net assets, end of year</b>	<b>\$ 46,249,628</b>	<b>\$ 42,298,069</b>	<b>\$ 44,455,020</b>	<b>\$ 2,156,951</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Major Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Water Management**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Operating revenues:</b>				
User fees	\$ 26,153,000	\$ 28,055,706	\$ 26,249,825	\$ (1,805,881)
Facilities rental	-	-	55,879	55,879
Other revenue	-	-	1,859,970	1,859,970
Total operating revenues	26,153,000	28,055,706	28,165,674	109,968
<b>Operating expenses:</b>				
Salaries, wages and benefits	5,393,997	7,168,308	6,652,078	516,230
Contractual services and utilities	6,213,932	7,906,695	3,154,837	4,751,858
Repairs and maintenance	991,100	1,144,409	926,181	218,228
Supplies	801,884	1,061,298	907,252	154,046
Capital outlay-exempt items	6,050,350	21,216,725	99,448	21,117,277
Depreciation expense	-	-	3,362,040	(3,362,040)
Insurance	416,669	570,511	467,515	102,996
Other	882,228	3,235,636	1,087,142	2,148,494
Total operating expenses	20,750,160	42,303,582	16,656,493	25,647,089
Operating income (loss)	5,402,840	(14,247,876)	11,509,181	25,757,057
<b>Non-operating revenues (expenses):</b>				
Investment income	528,800	537,327	928,456	391,129
Intergovernmental	-	13,211,992	1,339,601	(11,872,391)
Gain on sale of capital assets	-	-	7,583	7,583
Interest expense	(7,089,317)	(7,089,327)	(3,990,512)	3,098,815
Other non-operating rev/exp	-	-	184,318	184,318
Total non-operating revenues (expenses)	(6,560,517)	6,659,992	(1,530,554)	(8,190,546)
Income (loss) before transfers	(1,157,677)	(7,587,884)	9,978,627	17,566,511
Transfers in	1,926,750	3,151,724	969,743	(2,181,981)
Transfers out	(1,926,750)	(3,727,039)	(884,743)	2,842,296
Change in net assets	(1,157,677)	(8,163,199)	10,063,627	18,226,826
Net assets, beginning of year	31,015,938	31,015,938	31,015,938	-
<b>Net assets, end of year</b>	<b>\$ 29,858,261</b>	<b>\$ 22,852,739</b>	<b>\$ 41,079,565</b>	<b>\$ 18,226,826</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Major Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Municipal Recreation Complex**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Operating revenues:</b>				
User fees	\$ 1,498,244	\$ 1,498,244	\$ 1,073,646	\$ (424,598)
Other revenue	70,000	71,045	67,050	(3,995)
Total operating revenues	1,568,244	1,569,289	1,140,696	(428,593)
<b>Operating expenses:</b>				
Salaries, wages, and benefits	414,057	420,703	378,549	42,154
Contractual services	195,175	206,120	212,469	(6,349)
Repairs and maintenance	12,000	12,180	10,129	2,051
Supplies	57,400	57,056	57,814	(758)
Capital outlay-exempt items	143,468	208,224	-	208,224
Depreciation expense	-	-	1,431,653	(1,431,653)
Amortization expense	-	-	8,778	(8,778)
Insurance	907	907	907	-
Other	244,500	250,210	195,038	55,172
Total operating expenses	1,067,507	1,155,400	2,295,337	(1,139,937)
Operating income (loss)	500,737	413,889	(1,154,641)	(1,568,530)
<b>Non-operating revenues (expenses):</b>				
Investment income	7,000	7,000	78,862	71,862
Intergovernmental	102,638	152,638	-	(152,638)
Interest expense	(1,468,132)	(1,468,132)	(967,933)	500,199
Total non-operating revenues (expenses)	(1,358,494)	(1,308,494)	(889,071)	419,423
Income (loss) before transfers	(857,757)	(894,605)	(2,043,712)	(1,149,107)
Transfers in	767,427	1,138,349	1,138,349	-
Transfers out	(10,000)	(10,000)	(10,000)	-
Change in net assets	(100,330)	233,744	(915,363)	(1,149,107)
Net assets, beginning of year	(4,700,346)	(4,700,346)	(4,700,346)	-
<b>Net assets, end of year</b>	<b>\$ (4,800,676)</b>	<b>\$ (4,466,602)</b>	<b>\$ (5,615,709)</b>	<b>\$ (1,149,107)</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Major Enterprise Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets Budget and Actual**  
**Railyard Property**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Operating revenues:</b>				
Facilities rental	\$ -	\$ 487,922	\$ 737,700	\$ 249,778
Total operating revenues	-	487,922	737,700	249,778
<b>Operating expenses:</b>				
Salaries, wages and benefits	-	-	4,372	(4,372)
Contractual services and utility	-	10,570	-	10,570
Capital outlay-exempt items	-	2,749,840	-	2,749,840
Total operating expenses	-	2,760,410	4,372	2,756,038
Operating income (loss)	-	(2,272,488)	733,328	3,005,816
<b>Non-operating revenues (expenses):</b>				
Investment income	-	2,000	111,439	109,439
Intergovernmental	-	1,405,315	412,659	(992,656)
Interest expense	-	(125,565)	(168,852)	(43,287)
Total non-operating revenues (expenses)	-	1,281,750	355,246	(926,504)
Income (loss) before transfers	-	(990,738)	1,088,574	2,079,312
Transfers in	-	3,665,894	3,665,894	-
Transfers out	-	2,409,942	(2,409,942)	-
Capital contributions	-	-	20,145,837	20,145,837
Change in net assets	-	5,085,098	22,490,363	22,225,149
Net assets, beginning of year	-	-	-	-
<b>Net assets, end of year</b>	<b>\$ -</b>	<b>\$ 5,085,098</b>	<b>\$ 22,490,363</b>	<b>\$ 22,225,149</b>



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## Internal Service Funds

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

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

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

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

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

**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Funds**  
**Combining Statement of Net Assets**  
**June 30, 2005**

	<b>Risk Management</b>	<b>Santa Fe Health</b>	<b>Worker's Compensation</b>	<b>Retiree Health Care</b>	<b>Totals</b>
<b>Assets</b>					
Current assets:					
Cash, investments and cash equivalents	\$ 4,266,373	\$ 2,213,990	\$ 3,089,652	\$ 1,881,147	\$ 11,451,162
Accounts receivable	-	5,682	-	3,832	9,514
Interest receivable	21,132	8,823	16,128	11,121	57,204
Total current assets	4,287,505	2,228,495	3,105,780	1,896,100	11,517,880
Noncurrent assets:					
Capital assets:					
Furniture and fixtures	5,520	-	-	-	5,520
Less accumulated depreciation	(3,220)	-	-	-	(3,220)
Equipment and machinery	23,012	-	-	-	23,012
Less accumulated depreciation	(18,853)	-	-	-	(18,853)
Data processing equipment and software	33,151	-	-	-	33,151
Less accumulated depreciation	(32,380)	-	-	-	(32,380)
Vehicles	45,284	-	-	-	45,284
Less accumulated depreciation	(45,284)	-	-	-	(45,284)
Total capital assets (net of accum depreciation)	7,230	-	-	-	7,230
Total noncurrent assets	7,230	-	-	-	7,230
<b>Total assets</b>	<b>4,294,735</b>	<b>2,228,495</b>	<b>3,105,780</b>	<b>1,896,100</b>	<b>11,525,110</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	21,444	62,585	-	26,328	110,357
Compensated absences payable	59,588	-	-	-	59,588
Accrued wages payable	22,263	-	1,881	-	24,144
Claims payable	2,494,000	1,577,307	1,750,000	404,981	6,226,288
Other payables	4,370	-	681	-	5,051
Total current liabilities	2,601,665	1,639,892	1,752,562	431,309	6,425,428
<b>Net Assets</b>					
Invested in capital assets, net of related debt	7,230	-	-	-	7,230
Unrestricted	1,685,840	588,603	1,353,218	1,464,791	5,092,452
Total net assets	\$ 1,693,070	\$ 588,603	\$ 1,353,218	\$ 1,464,791	\$ 5,099,682

**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, 2005**

	<b>Risk Management</b>	<b>Santa Fe Health</b>	<b>Worker's Compensation</b>	<b>Retiree Health Care</b>	<b>Totals</b>
<b>Operating revenues:</b>					
Premiums	\$ 5,149,528	\$10,159,345	\$ 570,629	\$ 3,183,087	\$ 19,062,589
Total operating revenues	5,149,528	10,159,345	570,629	3,183,087	19,062,589
<b>Operating expenses:</b>					
Salaries, wages and fringe benefits	620,082	-	31,034	-	651,116
Contractual services and utilities	182,997	324,666	68,833	62,352	638,848
Repairs and maintenance	1,176	-	-	-	1,176
Supplies	99,877	-	-	-	99,877
Depreciation expense	3,284	-	-	-	3,284
Insurance premiums	2,394,817	280,665	-	50,330	2,725,812
Claims and judgements	2,000,818	8,968,975	1,034,634	2,756,734	14,761,161
Excess insurance	-	311,140	94,830	63,970	469,940
Other	29,953	-	-	-	29,953
Total operating expenses	5,333,004	9,885,446	1,229,331	2,933,386	19,381,167
Operating income (loss)	(183,476)	273,899	(658,702)	249,701	(318,578)
<b>Non-operating revenues (expenses):</b>					
Investment income	82,002	51,231	80,129	42,137	255,499
Total non-operating revenues (expenses)	82,002	51,231	80,129	42,137	255,499
Income (loss) before transfers	(101,474)	325,130	(578,573)	291,838	(63,079)
<b>Other Financing Sources (uses):</b>					
Transfers out	(8,180)	-	(275,000)	-	(283,180)
Total other financing sources (uses)	(8,180)	-	(275,000)	-	(283,180)
Change in net assets	(109,654)	325,130	(853,573)	291,838	(346,259)
Net assets, beginning of year	1,802,724	263,473	2,206,791	1,172,953	5,445,941
<b>Net assets, end of year</b>	<b>\$ 1,693,070</b>	<b>\$ 588,603</b>	<b>\$ 1,353,218</b>	<b>\$ 1,464,791</b>	<b>\$ 5,099,682</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2005**

	<b>Risk Management</b>	<b>Santa Fe Health</b>	<b>Worker's Compensation</b>	<b>Retiree Health Care</b>	<b>Totals</b>
Cash flows from operating activities:					
Cash received from customers	337,934	\$ 10,155,128	\$ 2,771	\$ 3,179,255	\$ 13,675,088
Cash received from interfund services provided and used	4,811,594	-	567,858	-	5,379,452
Cash payments to suppliers for goods and services	(4,284,258)	(9,609,228)	(1,051,801)	(2,909,565)	(17,854,852)
Cash payments to employees for services	(599,142)	-	(29,725)	-	(628,867)
Net cash (used) by operating activities	266,128	545,900	(510,897)	269,690	570,821
Cash flows from noncapital financing activities:					
Transfers-out to other funds	(8,180)	-	(275,000)	-	(283,180)
Net cash provided (used) by noncapital financing activities	(8,180)	-	(275,000)	-	(283,180)
Cash flows from investing activities:					
Interest and dividends on investments	77,385	49,262	79,846	36,401	242,894
Net cash provided by investing activities	77,385	49,262	79,846	36,401	242,894
Net increase (decrease) in cash and cash equivalents	335,333	595,162	(706,051)	306,091	530,535
Cash, investments & cash equivalents at beg of year	3,931,040	1,618,828	3,795,703	1,575,056	10,920,627
<b>Cash, investments &amp; cash equivalents at end of year</b>	<b>4,266,373</b>	<b>\$ 2,213,990</b>	<b>\$ 3,089,652</b>	<b>\$ 1,881,147</b>	<b>\$ 11,451,162</b>
Reconciliation of operating income (loss) to cash provided (used) by operating activities:					
Operating income (loss)	(183,476)	\$ 273,899	\$ (658,702)	\$ 249,701	\$ (318,578)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	3,284	-	-	-	3,284
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	-	(4,217)	-	(3,832)	(8,049)
Increase (decrease) in accounts payable	(60,620)	62,585	-	26,328	28,293
Increase (decrease) in other payable	-	-	(6,504)	-	(6,504)
Increase (decrease) in compensated abs. payable	14,029	-	-	-	14,029
Increase (decrease) in accrued wages payable	6,911	-	1,309	-	8,220
Increase (decrease) in claims payable	486,000	213,633	153,000	(2,507)	850,126
Total adjustments	449,604	272,001	147,805	19,989	889,399
<b>Net cash (used) by operating activities</b>	<b>266,128</b>	<b>\$ 545,900</b>	<b>\$ (510,897)</b>	<b>\$ 269,690</b>	<b>\$ 570,821</b>

**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, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Operating revenues:</b>				
Premiums	\$ 4,852,136	\$ 4,852,136	\$ 5,149,528	\$ 297,392
<b>Operating expenses:</b>				
Salaries, wages and fringe benefits	593,917	610,320	620,082	(9,762)
Contractual services and utilities	273,790	340,537	182,997	157,540
Repairs and maintenance	2,800	2,800	1,176	1,624
Supplies	137,678	188,778	99,877	88,901
Depreciation expense	-	-	3,284	(3,284)
Insurance premiums	2,492,237	2,483,146	2,394,817	88,329
Claims and judgements	1,725,601	2,078,662	2,000,818	77,844
Other	12,200	40,524	29,953	10,571
Total operating expenses	5,238,223	5,744,767	5,333,004	411,763
Operating income (loss)	(386,087)	(892,631)	(183,476)	709,155
<b>Non-operating revenues (expenses):</b>				
Investment income	169,400	169,400	82,002	(87,398)
Total non-operating revenues (expenses)	169,400	169,400	82,002	(87,398)
Income (loss) before operating transfers	(216,687)	(723,231)	(101,474)	621,757
<b>Other Financing Sources (uses):</b>				
Transfers out	-	(8,180)	(8,180)	-
Total other financing sources (uses)	-	(8,180)	(8,180)	-
Change in net assets	(216,687)	(731,411)	(109,654)	621,757
Net assets, beginning of year	1,802,724	1,802,724	1,802,724	-
<b>Net assets, end of year</b>	<b>\$ 1,586,037</b>	<b>\$ 1,071,313</b>	<b>\$ 1,693,070</b>	<b>\$ 621,757</b>

CITY OF SANTA FE, NEW MEXICO  
Internal Service Fund  
Schedule of Revenues, Expenses and  
Changes in Net Assets - Budget and Actual  
Santa Fe Health  
For the Year Ended June 30, 2005

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
<b>Operating revenues:</b>				
Premiums	\$ 9,668,797	\$ 9,668,797	\$ 10,159,345	\$ 490,548
<b>Operating expenses:</b>				
Contractual services and utilities	325,000	325,000	324,666	334
Insurance premiums	304,323	304,323	280,665	23,658
Claims and judgements	8,661,188	8,661,188	8,968,975	(307,787)
Excess insurance	254,840	319,106	311,140	7,966
Total operating expenses	9,545,351	9,609,617	9,885,446	(275,829)
Operating income (loss)	123,446	59,180	273,899	214,719
<b>Non-operating revenues (expenses):</b>				
Investment income	37,600	37,600	51,231	13,631
Total non-operating revenues (expenses)	37,600	37,600	51,231	13,631
Change in net assets	161,046	96,780	325,130	228,350
Net assets, beginning of year	263,473	263,473	263,473	-
<b>Net assets, end of year</b>	<b>\$ 424,519</b>	<b>\$ 360,253</b>	<b>\$ 588,603</b>	<b>\$ 228,350</b>

**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets - Budget and Actual**  
**Worker's Compensation**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Operating revenues:</b>				
Premiums	\$ 624,858	\$ 624,858	\$ 570,629	\$ (54,229)
<b>Operating expenses:</b>				
Salaries, wages and fringe benefits	-	41,565	31,034	10,531
Contractual services and utilities	70,000	70,000	68,833	1,167
Workers comp administration fee	35,000	35,000	-	35,000
Claims and judgements	584,000	909,000	1,034,634	(125,634)
Excess insurance	90,000	100,000	94,830	5,170
Total operating expenses	779,000	1,155,565	1,229,331	(73,766)
Operating income (loss)	(154,142)	(530,707)	(658,702)	(127,995)
<b>Non-operating revenues (expenses):</b>				
Investment income	103,500	103,500	80,129	(23,371)
Total non-operating revenues (expenses)	103,500	103,500	80,129	(23,371)
Income (loss) before transfers	(50,642)	(427,207)	(578,573)	(151,366)
<b>Other Financing Sources (uses):</b>				
Transfers out	(275,000)	(275,000)	(275,000)	-
Total other financing sources (uses)	(275,000)	(275,000)	(275,000)	-
Change in net assets	(325,642)	(702,207)	(853,573)	(151,366)
Net assets, beginning of year	2,206,791	2,206,791	2,206,791	-
<b>Net assets, end of year</b>	<b>\$ 1,881,149</b>	<b>\$ 1,504,584</b>	<b>\$ 1,353,218</b>	<b>\$ (151,366)</b>



**CITY OF SANTA FE, NEW MEXICO**  
**Internal Service Fund**  
**Schedule of Revenues, Expenses and**  
**Changes in Net Assets - Budget and Actual**  
**Retiree Health Care**  
**For the Year Ended June 30, 2005**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget- Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Operating revenues:</b>				
Premiums	\$ 2,521,527	\$ 3,015,496	\$ 3,183,087	\$ 167,591
<b>Operating expenses:</b>				
Contractual services and utilities	68,351	68,351	62,352	5,999
Insurance premiums	46,988	64,660	50,330	14,330
Claims and judgements	2,370,850	2,809,386	2,756,734	52,652
Excess insurance	57,716	77,532	63,970	13,562
Total operating expenses	2,543,905	3,019,929	2,933,386	86,543
Operating income (loss)	(22,378)	(4,433)	249,701	254,134
<b>Non-operating revenues (expenses):</b>				
Investment income	40,300	40,300	42,137	1,837
Total non-operating revenues (expenses)	40,300	40,300	42,137	1,837
Change in net assets	17,922	35,867	291,838	255,971
Net assets, beginning of year	1,172,953	1,172,953	1,172,953	-
<b>Net assets, end of year</b>	<b>\$ 1,190,875</b>	<b>\$ 1,208,820</b>	<b>\$ 1,464,791</b>	<b>\$ 255,971</b>

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

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**CITY OF SANTA FE, NEW MEXICO**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedule By Source**  
**June 30, 2005 and 2004**

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	<b>2005</b>	<b>2004</b> <b>(as restated)</b>
	<hr/>	<hr/>
Governmental Funds Capital Assets:		
Land	\$ 162,499,280	\$ 182,642,409
Buildings	33,336,922	33,309,208
Improvements	18,877,006	18,877,006
Equipment and machinery	13,627,183	12,791,805
Furniture and fixtures	627,347	621,248
Vehicles	14,244,406	12,280,278
Data processing	6,284,686	5,618,921
Construction in progress	17,850,906	11,326,106
Art	922,920	859,920
Traffic Signals	20,727,445	20,727,445
Streets	165,550,764	165,550,764
	<hr/>	<hr/>
<b>Total governmental funds capital assets</b>	<b>\$ 454,548,865</b>	<b>\$ 464,605,110</b>
	<hr/> <hr/>	<hr/> <hr/>
Investment in Governmental Funds Capital Assets by sources:		
General Fund	\$ 338,517,984	\$ 336,771,349
Special Revenue Funds	10,607,567	29,372,545
Capital Project Funds	95,980,783	89,046,474
Other Sources	8,718,408	8,690,619
Donations	724,123	724,123
	<hr/>	<hr/>
<b>Total governmental funds capital assets</b>	<b>\$ 454,548,865</b>	<b>\$ 464,605,110</b>
	<hr/> <hr/>	<hr/> <hr/>

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, 2005**

Function and Activity	Land	Buildings	Improvements	Equipment and Machinery	Furniture and Fixtures
General Government:					
City Manager	\$ 24,274,581	\$ 29,402,973	\$ 5,403,906	\$ -	\$ -
City Clerk	-	-	-	273,404	22,241
Administrative Department	-	-	-	261,575	24,001
Planning	-	-	-	-	236,897
City Services	137,673,821	86,288	383,869	605,079	159,653
	-	-	-	-	-
Total General Government	161,948,402	29,489,261	5,787,775	1,140,058	442,792
Public Safety:					
Police	-	3,220	3,053,074	1,158,628	172,923
Fire	-	3,731,652	-	2,021,820	-
Total Public Safety	-	3,734,872	3,053,074	3,180,448	172,923
Public Works:					
Administration	-	104,455	5,197,412	4,642,372	3,026
Total Public Works	-	104,455	5,197,412	4,642,372	3,026
Community Welfare:					
Human services	178,225	4,500	640,543	2,190,720	-
Total Community Welfare	178,225	4,500	640,543	2,190,720	-
Culture and Recreation:					
Parks and Grounds Maintenance	372,653	3,834	4,198,202	2,473,585	8,606
Arts Commission	-	-	-	-	-
Total Culture and Recreation	372,653	3,834	4,198,202	2,473,585	8,606
<b>Total governmental funds capital assets</b>	<b>\$ 162,499,280</b>	<b>\$ 33,336,922</b>	<b>\$ 18,877,006</b>	<b>\$ 13,627,183</b>	<b>\$ 627,347</b>

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

Vehicles	Data Processing Equipment	Construction in Progress	Art	Traffic Signals	Streets	Total
\$ -	\$ 17,527	\$ -	\$ -	\$ -	\$ -	\$ 59,098,987
36,321	2,372	-	-	-	-	334,338
4,478,227	5,673,349	-	-	-	-	10,437,152
-	226,458	-	-	-	-	463,355
120,127	56,920	-	-	-	-	139,085,757
-	-	-	-	-	-	-
4,634,675	5,976,626	-	-	-	-	209,419,589
5,590,285	254,161	248,284	-	-	-	10,480,575
20,914	4,493	-	-	-	-	5,778,879
5,611,199	258,654	248,284	-	-	-	16,259,454
379,308	38,934	17,602,622	-	20,727,445	165,550,764	214,246,338
379,308	38,934	17,602,622	-	20,727,445	165,550,764	214,246,338
-	5,938	-	-	-	-	3,019,926
-	5,938	-	-	-	-	3,019,926
3,619,224	4,534	-	-	-	-	10,680,638
-	-	-	922,920	-	-	922,920
3,619,224	4,534	-	922,920	-	-	11,603,558
<b>\$ 14,244,406</b>	<b>\$ 6,284,686</b>	<b>\$ 17,850,906</b>	<b>\$ 922,920</b>	<b>\$ 20,727,445</b>	<b>\$ 165,550,764</b>	<b>454,548,865</b>

**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, 2005**

<b>Function and Activity</b>	<b>Governmental Funds Capital Assets July 1, 2004 (as restated)</b>	<b>Additions</b>	<b>Deletions</b>	<b>Governmental Funds Capital Assets June 30, 2005</b>
General Government:				
City Manager	\$ 59,122,644	\$ 42,782	\$ (66,439)	\$ 59,098,987
City Clerk	334,338	-	-	334,338
Administrative Department	11,194,662	1,830,362	(2,587,872)	10,437,152
Planning	463,355	-	-	463,355
City Services	157,251,087	160,036	(18,325,366)	139,085,757
Total General Government	<u>228,366,086</u>	<u>2,033,180</u>	<u>(20,979,677)</u>	<u>209,419,589</u>
Public Safety:				
Police	8,919,240	1,605,177	(43,842)	10,480,575
Fire	5,778,879	-	-	5,778,879
Total Public Safety	<u>14,698,119</u>	<u>1,605,177</u>	<u>(43,842)</u>	<u>16,259,454</u>
Public Works:				
Administration	206,919,715	7,779,766	(453,143)	214,246,338
Total Public Works	<u>206,919,715</u>	<u>7,779,766</u>	<u>(453,143)</u>	<u>214,246,338</u>
Community Welfare:				
Human Services	3,080,632	189,294	(250,000)	3,019,926
Total Community Welfare	<u>3,080,632</u>	<u>189,294</u>	<u>(250,000)</u>	<u>3,019,926</u>
Culture and Recreation:				
Parks and Grounds Maint.	10,680,638	-	-	10,680,638
Arts Commission	859,920	63,000	-	922,920
Total Culture and Recreation	<u>11,540,558</u>	<u>63,000</u>	<u>-</u>	<u>11,603,558</u>
<b>Total governmental funds capital assets</b>	<b><u>\$ 464,605,110</u></b>	<b><u>\$ 11,670,417</u></b>	<b><u>\$ (21,726,662)</u></b>	<b><u>\$ 454,548,865</u></b>

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

## Discrete Component Units

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

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

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

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

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

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



## CITY OF SANTA FE, NEW MEXICO

Component Unit - Enterprise

Combining Statement of Net Assets

For the Year Ended June 30, 2005

	Housing Authority	SF Civic Housing Development Corporation	La Cieneguita	Section 8 Voucher	Cielo Azul	Total
<b>ASSETS</b>						
Current assets						
Cash and equivalents	\$ 754,322	\$ 1,610,858	\$ 109,985	\$ 555,995	\$ 108,151	\$ 3,139,311
Tenant receivable	32,170	1,874	616	296	-	34,956
Federal grants receivable	170,899	-	-	-	-	170,899
Other receivable	12,684	-	-	-	-	12,684
Due from other funds	43,061	500,000	-	9,252	-	552,313
Prepaid expenses	60,178	12,277	3,049	-	-	75,504
Other current assets	13,456	-	-	-	-	13,456
<b>Total current assets</b>	<b>1,086,770</b>	<b>2,125,009</b>	<b>113,650</b>	<b>565,543</b>	<b>108,151</b>	<b>3,999,123</b>
Capital assets						
Land	22,200	268,652	-	-	300,000	590,852
Construction in process	597,494	-	-	-	-	597,494
Buildings & Improvements	20,026,873	2,840,894	-	-	1,300,000	24,167,767
Furniture and fixtures	43,181	200,578	-	-	-	243,759
Equipment and machinery	147,289	2,907	4,415	-	-	154,611
Vehicles	202,699	-	-	-	-	202,699
Accumulated depreciation	(13,013,229)	(1,876,386)	(3,532)	-	(43,333)	(14,936,480)
<b>Total capital assets (net of depreciation)</b>	<b>8,026,507</b>	<b>1,436,645</b>	<b>883</b>	<b>-</b>	<b>1,556,667</b>	<b>11,020,702</b>
<b>Total assets</b>	<b>9,113,277</b>	<b>3,561,654</b>	<b>114,533</b>	<b>565,543</b>	<b>1,664,818</b>	<b>15,019,825</b>
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable	117,528	-	2,545	4,853	-	124,926
Compensated absences payable	88,048	-	-	-	-	88,048
Tenant security deposits	50,864	7,966	5,985	-	-	64,815
Current portion of long term debt	-	115,000	-	-	8,945	123,945
Escrows and deposits	208,440	-	-	-	-	208,440
Due to other funds	9,252	38,870	3,399	-	500,792	552,313
Due to HUD	11,852	-	-	-	-	11,852
Deferred revenue	-	-	-	150,646	-	150,646
Accrued interest	-	61,160	-	-	-	61,160
<b>Total current liabilities</b>	<b>485,984</b>	<b>222,996</b>	<b>11,929</b>	<b>155,499</b>	<b>509,737</b>	<b>1,386,145</b>
Noncurrent liabilities						
Notes payable	-	-	-	-	1,195,922	1,195,922
Bonds payable	-	2,345,000	-	-	-	2,345,000
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>2,345,000</b>	<b>-</b>	<b>-</b>	<b>1,195,922</b>	<b>3,540,922</b>
<b>Total liabilities</b>	<b>485,984</b>	<b>2,567,996</b>	<b>11,929</b>	<b>155,499</b>	<b>1,705,659</b>	<b>4,927,067</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	8,026,507	(908,355)	883	-	460,745	7,579,780
Unrestricted (deficit)	600,786	1,902,013	101,721	410,044	(501,586)	2,512,978
<b>Total net assets</b>	<b>\$ 8,627,293</b>	<b>\$ 993,658</b>	<b>\$ 102,604</b>	<b>\$ 410,044</b>	<b>\$ (40,841)</b>	<b>\$ 10,092,758</b>

CITY OF SANTA FE, NEW MEXICO  
Component Unit - Enterprise  
Combining Statement of Revenues, Expenses  
and Changes in Net Assets  
For the Year Ended June 30, 2005

	Housing Authority	SF Civic Housing Development Corporation	La Cieneguita	Section 8 Voucher	Cielo Azul	Total
Operating Revenues						
Facilities rentals	\$ 914,327	\$ 569,119	\$ 79,193	\$ -	\$ 42,706	\$ 1,605,345
HUD grant and subsidy	2,049,592	-	-	4,138,109	-	6,187,701
Other revenue	13,411	9,933	635	-	-	23,979
<b>Total operating revenues</b>	<b>2,977,330</b>	<b>579,052</b>	<b>79,828</b>	<b>4,138,109</b>	<b>42,706</b>	<b>7,817,025</b>
Operating Expenses						
Salaries, wages and benefits	580,474	226,141	19,867	304,003	-	1,130,485
Community welfare	91,062	-	-	3,837,614	-	3,928,676
Contractual services and utilities	693,108	81,569	32,747	-	7,966	815,390
Repairs and maintenance	354,690	132,061	16,211	-	34,271	537,233
Depreciation expense	820,064	106,664	883	-	43,333	970,944
Insurance	116,687	22,416	5,880	217	9,662	154,862
Other	5,568	10,812	1,243	-	-	17,623
<b>Total operating expenses</b>	<b>2,661,653</b>	<b>579,663</b>	<b>76,831</b>	<b>4,141,834</b>	<b>95,232</b>	<b>7,555,213</b>
Operating income	315,677	(611)	2,997	(3,725)	(52,526)	261,812
Non-operating revenues (expenses)						
Interest on investments	8,327	38,352	1,249	3,725	929	52,582
Interest expense	-	(147,169)	-	-	(34,244)	(181,413)
Gifts	-	-	-	-	45,000	45,000
<b>Total non-operating revenues (expenses)</b>	<b>8,327</b>	<b>(108,817)</b>	<b>1,249</b>	<b>3,725</b>	<b>11,685</b>	<b>(83,831)</b>
Change in net assets	324,004	(109,428)	4,246	-	(40,841)	177,981
Net assets, beginning of year	8,303,289	1,103,086	98,358	410,044	-	9,914,777
<b>Net assets, end of year</b>	<b>\$ 8,627,293</b>	<b>\$ 993,658</b>	<b>\$ 102,604</b>	<b>\$ 410,044</b>	<b>\$ (40,841)</b>	<b>\$ 10,092,758</b>

CITY OF SANTA FE, NEW MEXICO Component Unit - Enterprise Combining Statement of Cash Flows For the Year Ended June 30, 2005					
	Housing Authority	SF Civic Housing Development Corporation	La Cieneguita	Section 8 Voucher	Cielo Azul
Cash Flows from Operating Activities					
Cash received from customers and grantors	\$ 2,837,905	\$ 560,897	\$ 79,995	\$ 4,369,493	\$ 43,498
Cash payments to suppliers for goods and services	(1,227,183)	(248,995)	(54,392)	(3,832,035)	(51,899)
Cash payments to employees for services	(584,022)	(231,523)	(19,867)	(304,003)	-
<b>Net cash provided (used) by operating activities</b>	<b>1,026,700</b>	<b>80,379</b>	<b>5,736</b>	<b>233,455</b>	<b>(8,401)</b>
Cash Flows from Capital Financing Activities					
Acquisition and construction of capital assets	(1,066,711)	-	-	-	(400,000)
<b>Net cash used by capital financing activities</b>	<b>(1,066,711)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(400,000)</b>
Cash Flows from Noncapital Financing Activities					
Principal paid on debt maturities	-	(110,000)	-	-	(5,133)
Transfer to other funds	-	(500,000)	-	-	-
Interest paid on debt	-	(147,169)	-	-	(24,244)
<b>Net cash used by noncapital financing activities</b>	<b>-</b>	<b>(757,169)</b>	<b>-</b>	<b>-</b>	<b>(29,377)</b>
Cash Flows from Investing Activities					
Proceeds from gifts	-	-	-	-	45,000
Proceeds from transfers	-	-	-	-	500,000
Interest and dividends on investments	8,327	38,352	1,249	3,725	929
<b>Net cash provided by Investing activities</b>	<b>8,327</b>	<b>38,352</b>	<b>1,249</b>	<b>3,725</b>	<b>545,929</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(31,684)</b>	<b>(638,438)</b>	<b>6,985</b>	<b>237,180</b>	<b>108,151</b>
Cash and cash equivalents at beginning of year	786,006	2,249,296	103,000	318,815	-
<b>Cash and cash equivalents at end of year</b>	<b>\$ 754,322</b>	<b>\$ 1,610,858</b>	<b>\$ 109,985</b>	<b>\$ 555,995</b>	<b>\$ 108,151</b>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 315,677	\$ (611)	\$ 2,997	\$ (3,725)	\$ (52,526)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation/amortization	820,064	106,664	883	-	43,333
Change in assets and liabilities					
Accounts receivable	(155,491)	(1,718)	(207)	80,738	-
Prepaid expenses	(7,445)	(2,137)	(305)	-	-
Due from other funds	12,539	-	-	25,637	792
Other current assets	-	-	5,643	-	-
Accounts payable	28,838	-	(7,048)	(19,841)	-
Compensated absences payable	(3,548)	(5,382)	-	-	-
Deposits	41,703	293	374	-	-
Due to other funds	(25,637)	(16,730)	3,399	-	-
Deferred revenues	-	-	-	150,646	-
<b>Total adjustments</b>	<b>711,023</b>	<b>80,990</b>	<b>2,739</b>	<b>237,180</b>	<b>44,125</b>
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,026,700</b>	<b>\$ 80,379</b>	<b>\$ 5,736</b>	<b>\$ 233,455</b>	<b>\$ (8,401)</b>

CITY OF SANTA FE, NEW MEXICO  
Component Unit - Enterprise  
Schedule of Revenues, Expenses and  
Changes in Net Assets Budget and Actual  
Housing Authority  
For the Year Ended June 30, 2005

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 854,000	\$ 854,000	\$ 914,327	\$ 60,327
HUD grants and subsidy	767,267	759,185	2,049,592	1,290,407
Other operating revenues	51,518	51,518	13,411	(38,107)
<b>Total operating revenues</b>	<b>1,672,785</b>	<b>1,664,703</b>	<b>2,977,330</b>	<b>1,312,627</b>
Operating Expenses				
Salaries, wages and benefits	619,008	619,008	580,474	38,534
Community Welfare	117,500	117,500	91,062	26,438
Contractual services and utilities	648,970	648,970	693,108	(44,138)
Repairs and maintenance	446,500	446,500	354,690	91,810
Insurance	86,000	86,000	116,687	(30,687)
Other	8,800	8,800	5,568	3,232
<b>Total operating expenses</b>	<b>1,926,778</b>	<b>1,926,778</b>	<b>1,841,589</b>	<b>85,189</b>
Operating income (loss)	(253,993)	(262,075)	1,135,741	1,397,816
Non-operating Revenue				
Interest on investments	600	600	8,327	7,727
<b>Total non-operating revenues</b>	<b>600</b>	<b>600</b>	<b>8,327</b>	<b>7,727</b>
<b>Change in net assets</b>	<b>(253,393)</b>	<b>(261,475)</b>	<b>1,144,068</b>	<b>1,405,543</b>
Net assets, beginning of year	8,303,289	8,303,289	8,303,289	-
<b>Net assets, end of year</b>	<b>\$ 8,049,896</b>	<b>\$ 8,041,814</b>	<b>\$ 9,447,357</b>	<b>\$ 1,405,543</b>
Depreciation expense			(820,064)	
GAAP net assets, end of year			<u>\$ 8,627,293</u>	

CITY OF SANTA FE, NEW MEXICO  
Component Unit - Enterprise  
Schedule of Revenues, Expenses and  
Changes in Net Assets Budget and Actual  
SF Civic Housing Development Corporation  
For the Year Ended June 30, 2005

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 567,700	\$ 567,700	\$ 569,119	\$ 1,419
Other operating revenues	11,800	11,800	9,933	(1,867)
<b>Total operating revenues</b>	<b>579,500</b>	<b>579,500</b>	<b>579,052</b>	<b>(448)</b>
Operating Expenses				
Salaries, wages and benefits	227,400	227,400	226,141	1,259
Contractual services and utilities	119,700	119,700	81,569	38,131
Repairs and maintenance	70,000	130,000	132,061	(2,061)
Other	21,500	21,500	33,228	(11,728)
<b>Total operating expenses</b>	<b>438,600</b>	<b>498,600</b>	<b>472,999</b>	<b>25,601</b>
<b>Change in net assets</b>	<b>140,900</b>	<b>80,900</b>	<b>106,053</b>	<b>25,153</b>
Net assets, beginning of year	1,103,086	1,103,086	1,103,086	-
<b>Net assets, end of year</b>	<b>\$ 1,243,986</b>	<b>\$ 1,183,986</b>	<b>\$ 1,209,139</b>	<b>\$ 25,153</b>
Depreciation expense			(106,664)	
Investment income			38,352	
Interest expense			(147,169)	
GAAP net assets, end of year			<u>\$ 993,658</u>	

CITY OF SANTA FE, NEW MEXICO  
Component Unit - Enterprise  
Schedule of Revenues, Expenses and  
Changes in Net Assets Budget amd Actual  
La Cieneguita  
For the Year Ended June 30, 2005

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 69,000	\$ 69,000	\$ 79,193	\$ 10,193
Other operating revenues	2,220	2,220	635	(1,585)
<b>Total operating revenues</b>	<b>71,220</b>	<b>71,220</b>	<b>79,828</b>	<b>8,608</b>
Operating Expenses				
Salaries, wages, and benefits	32,644	32,644	19,867	12,777
Contractual services and utilities	30,600	30,600	32,747	(2,147)
Repairs and maintenance	10,800	10,800	16,211	(5,411)
Other	4,800	4,800	7,123	(2,323)
<b>Total operating expenses</b>	<b>78,844</b>	<b>78,844</b>	<b>75,948</b>	<b>2,896</b>
Operating Income (loss)	(7,624)	(7,624)	3,880	5,712
Net assets, beginning of year	98,358	98,358	98,358	-
<b>Net assets, end of year</b>	<b>\$ 90,734</b>	<b>\$ 90,734</b>	<b>102,238</b>	<b>\$ 5,712</b>
Interest Income			1,249	
Depreciation expense			(883)	
GAAP net assets, end of year			<u>\$ 102,604</u>	

CITY OF SANTA FE, NEW MEXICO  
Component Unit - Enterprise  
Schedule of Revenues, Expenses and  
Changes in Net Assets Budget and Actual  
Section 8 Voucher  
For the Year Ended June 30, 2005

	Budget Amount		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 3,924,236	\$ 3,969,629	\$ 4,138,109	\$ 168,480
Interest income	-	-	3,725	3,725
<b>Total operating revenue</b>	<b>3,924,236</b>	<b>3,969,629</b>	<b>4,141,834</b>	<b>172,205</b>
Operating Expenses				
Salaries, wages, and benefits	401,969	402,351	304,003	98,348
Community welfare	3,522,267	3,750,506	3,837,614	(87,108)
Other	-	-	217	(217)
<b>Total operating expenses</b>	<b>3,924,236</b>	<b>4,152,857</b>	<b>4,141,834</b>	<b>11,023</b>
Operating Income (loss)	-	(183,228)	-	161,182
Net assets, beginning of year	410,044	410,044	410,044	-
<b>Net assets, end of year</b>	<b>\$ 410,044</b>	<b>\$ 226,816</b>	<b>\$ 410,044</b>	<b>\$ 161,182</b>

CITY OF SANTA FE, NEW MEXICO  
Component Unit - Enterprise  
Schedule of Revenues, Expenses and  
Changes in Net Assets Budget and Actual  
Cielo Azul  
For the Year Ended June 30, 2005

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 40,000	\$ 40,000	\$ 42,706	\$ 2,706
Other operating revenues	40,000	40,000	45,000	5,000
<b>Total operating revenues</b>	<b>80,000</b>	<b>80,000</b>	<b>87,706</b>	<b>7,706</b>
Operating Expenses				
Contractual services and utilities	10,000	10,000	7,966	2,034
Repairs and maintenance	40,000	40,000	34,271	5,729
Other	5,000	5,000	9,662	(4,662)
<b>Total operating expenses</b>	<b>55,000</b>	<b>55,000</b>	<b>51,899</b>	<b>3,101</b>
Excess of revenues over expenditures	25,000	25,000	35,807	4,605
Net assets, beginning of year	-	-	-	-
<b>Net assets, end of year</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>	<b>35,807</b>	<b>\$ 4,605</b>
Investment Income			929	
Interest Income			(34,244)	
Depreciation expense			(43,333)	
GAAP net assets, end of year			<u>\$ (40,841)</u>	



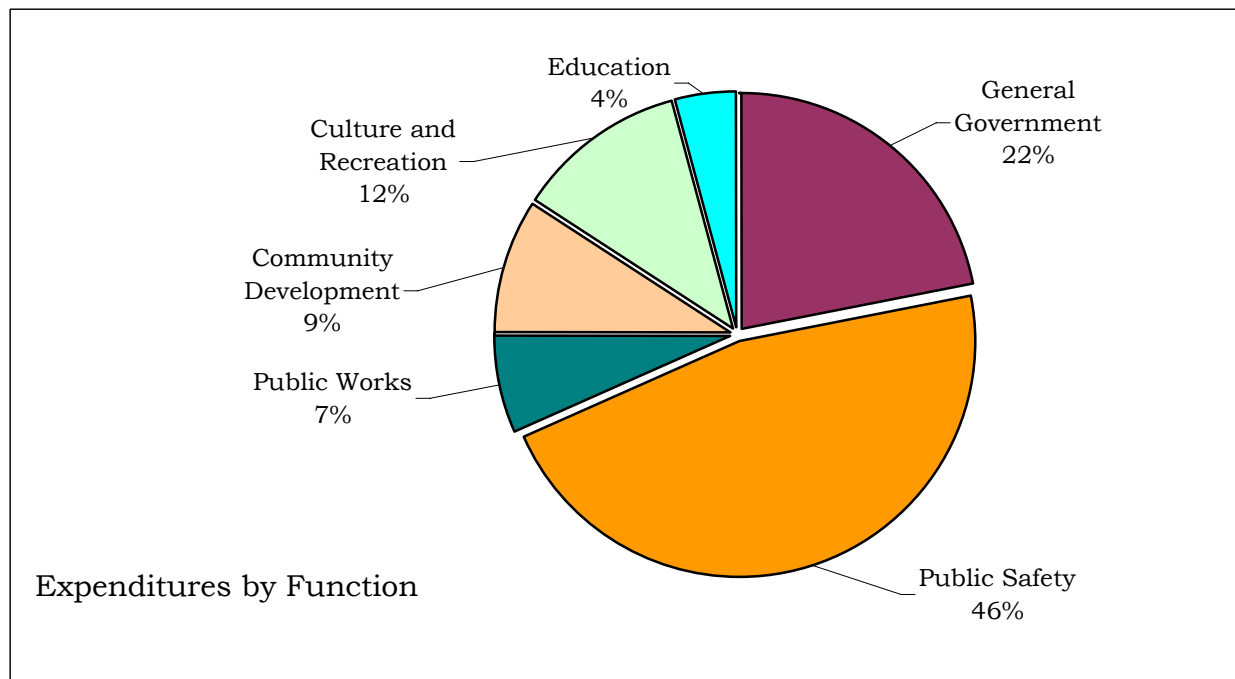
## **Statistical Section**

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TABLE I

CITY OF SANTA FE, NEW MEXICO  
GENERAL FUND OPERATING EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)

<b>Fiscal Year Ended June 30</b>	<b>General Government</b>	<b>Public Safety</b>	<b>Public Works</b>	<b>Community Development</b>	<b>Culture and Recreation</b>	<b>Education</b>	<b>Total Expenditures</b>
1996	11,492,564	15,303,895	4,504,859	4,924,868	4,941,176	1,700,730	42,868,092
1997	11,306,606	15,706,649	4,213,475	5,050,009	4,668,543	1,775,757	42,721,039
1998	10,530,815	18,349,486	4,251,889	5,330,155	5,180,551	2,027,248	45,670,144
1999	10,540,832	20,401,656	4,510,877	5,477,828	5,711,110	2,098,968	48,741,271
2000	10,521,558	21,147,337	4,037,712	6,107,588	5,573,552	2,146,480	49,534,227
2001	11,264,400	22,153,812	4,142,616	5,665,117	5,668,336	2,290,087	51,184,368
2002	11,648,365	21,354,621	3,607,893	5,589,289	6,128,793	2,212,046	50,541,007
2003	11,979,824	23,755,132	3,677,067	4,930,600	6,010,451	2,280,164	52,633,238
2004	12,807,714	25,323,097	3,988,000	5,361,681	6,597,727	2,456,459	56,534,678
2005	13,376,306	28,324,438	4,038,775	5,586,358	7,066,843	2,534,853	60,927,573

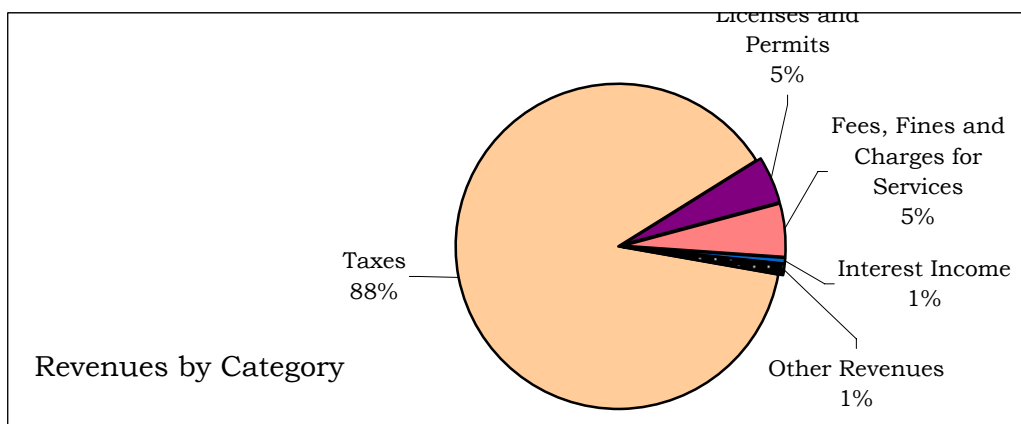


Source: City of Santa Fe Comprehensive Annual Financial Reports for Last Ten Fiscal Years

TABLE II

CITY OF SANTA FE, NEW MEXICO  
GENERAL FUND REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ended June 30	Taxes	Licenses and Permits	Fines and Charges for Services	Interest Income	Other Revenues	Total Revenues
1996	37,916,410	844,308	1,696,972	590,961	902,246	41,950,897
1997	38,461,679	838,989	1,866,659	591,779	739,574	42,498,680
1998	40,975,443	977,067	2,051,460	656,241	234,909	44,895,120
1999	43,377,765	1,130,001	2,605,812	588,811	296,580	47,998,969
2000	45,630,404	1,213,496	2,657,489	513,688	611,806	50,626,883
2001	46,363,846	1,162,200	1,842,811	796,117	923,963	51,088,937
2002	47,618,931	1,465,954	1,826,982	556,960	891,084	52,359,911
2003	49,639,547	1,442,754	2,681,142	420,989	681,804	54,866,236
2004	52,163,536	2,667,343	3,042,109	168,903	260,094	58,301,985
2005	53,141,422	2,727,092	3,200,013	362,395	681,033	60,111,955



Source: City of Santa Fe Comprehensive Annual Financial Reports for Last Ten Fiscal Years

TABLE III

CITY OF SANTA FE, NEW MEXICO  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ended June 30	Total City Levy	Current and Delinquent Tax Collections	Per Cent of Levy Collected
1996	1,013,240	1,020,862	100.8%
1997	1,040,546	1,186,179	114.0%
1998	1,101,893	1,101,145	99.9%
1999	1,195,666	1,162,712	97.2%
2000	1,253,061	1,239,806	98.9%
2001	1,284,024	1,300,305	101.3%
2002	1,295,000	1,388,393	107.2%
2003	1,295,000	1,462,020	112.9%
2004	1,539,866	1,625,045	105.5%
2005	1,646,328	1,675,000	101.7%

Note: Taxes are levied and collected by the Santa Fe County Treasurer and distributed to all taxing jurisdictions. The tax rate is requested by the City and set by the Local Government Division of the New Mexico Department of Finance and Administration. The state allows the rate to be set at 5% in excess of requirements to allow for delinquent collections.

Source: Santa Fe County Treasurer's Office

TABLE IV

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
1996	1,604,721	4,818,982	64,169	192,700	26,273	1,642,660	4,932,913	33.3%
1997	1,755,887	5,272,933	58,014	174,216	25,788	1,788,113	5,369,709	33.3%
1998	1,801,119	5,408,766	56,005	168,183	25,703	1,831,422	5,499,766	33.3%
1999	1,800,317	5,400,951	53,687	161,063	24,912	1,829,092	5,492,769	33.3%
2000	1,871,374	5,614,122	70,697	212,092	24,408	1,917,663	5,758,748	33.3%
2001	1,936,438	5,809,895	67,293	201,899	24,175	1,979,555	5,944,610	33.3%
2002	2,026,036	6,084,192	71,447	214,556	24,087	2,073,426	6,226,505	33.3%
2003	2,141,583	6,431,180	68,192	204,780	29,939	2,179,836	6,456,054	33.3%
2004	2,338,417	7,022,273	70,895	212,898	33,767	2,375,557	7,133,805	33.3%
2005	2,587,264	7,769,562	71,721	215,378	36,567	2,622,431	7,875,168	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 V

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
1996	0.471	1.556	3.919	5.695	2.959	14.600
1997	0.448	1.347	4.978	5.290	2.914	14.977
1998	0.457	1.438	5.037	5.279	2.943	15.154
1999	0.460	1.482	5.169	7.654	2.935	17.700
2000	0.464	1.529	5.479	7.622	2.948	18.042
2001	0.472	1.765	5.543	7.544	3.346	18.670
2002	0.468	1.123	5.360	7.578	3.318	17.847
2003	0.454	1.520	5.917	7.488	3.264	18.643
2004	0.459	1.028	5.624	7.162	3.221	17.494
2005	0.440	1.234	6.319	7.022	4.046	19.061

NON-RESIDENTIAL

Tax Year Ended June 30	City	State	County	School District	Santa Fe Community College	Total Non- Residential Tax Levy
1995	1.012	1.276	5.690	5.765	3.110	16.853
1996	1.050	1.556	5.879	5.787	3.186	17.458
1997	1.058	1.347	7.103	5.467	3.078	18.053
1998	1.084	1.438	7.243	5.384	3.127	18.276
1999	1.159	1.482	7.938	7.787	3.291	21.657
2000	1.158	1.529	8.225	7.652	3.235	21.799
2001	1.234	1.765	9.438	7.781	4.046	24.264
2002	1.268	1.123	9.648	7.798	4.046	23.883
2003	1.292	1.520	10.608	7.803	4.046	25.269
2004	1.266	1.028	10.868	7.440	4.046	24.648
2005	1.284	1.234	11.824	7.443	4.046	25.831

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

TABLE VI

CITY OF SANTA FE, NEW MEXICO  
SPECIAL ASSESSMENTS COLLECTIONS (ROAD PAVING)  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ended June 30	Current Billing	Assessment Collected	Ratio Collections to Current Billing
1996	226,291	81,307	35.9%
1997	204,853	126,850	61.9%
1998	60,784	44,744	73.6%
1999	21,468	15,724	73.2%
2000	22,804	13,988	61.3%
2001	25,394	6,410	25.2%
2002	33,133	6,604	19.9%
2003	35,673	18,132	50.8%
2004	16,199	1,942	12.0%
2005	20,024	2,626	13.1%

Source: City of Santa Fe Assessments Unit



TABLE VII

CITY OF SANTA FE, NEW MEXICO  
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
 AND NET BONDED DEBT PER CAPITA  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

## GENERAL FUND EQUITY DEBT

Fiscal Year Ended June 30	Population <sup>1</sup>	Assessed Value <sup>2</sup>	Total General Obligation Debt Outstanding June 30	Amount Available Debt Service Fund	Net Bonded Debt	Ratio of Net Long Term Debt To Assessed Value	Net General Long Term Debt Per Capita
1996	70,839	1,642,659,983	-	-	-	-	-
1997	71,901	1,788,113,258	-	-	-	-	-
1998	63,685	1,831,421,557	-	-	-	-	-
1999	69,367	1,829,092,934	-	-	-	-	-
2000	69,299	1,917,663,295	-	-	-	-	-
2001	63,000	1,979,555,408	-	-	-	-	-
2002	63,500	2,073,426,259	-	-	-	-	-
2003	64,100	2,179,835,636	-	-	-	-	-
2004	65,127	2,375,557,803	-	-	-	-	-
2005	65,800	2,622,431,696	-	-	-	-	-

<sup>1</sup> Estimated population figures for 1996, 1998, 1999, 2000, 2001, 2002, 2004 and 2005 were provided by the City of Santa Fe Planning Department staff. Estimated population figures for 1997 were provided by, "Population Estimated Program," U.S. Bureau of the Census released March 1997.

<sup>2</sup> Assessment are made by the elected Santa Fe County Assessor. Assessment are made each year in January. Amounts represent thirty-three and one-third percent of market value as set by state statute.

TABLE VIII

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CITY OF SANTA FE, NEW MEXICO  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2005  
(UNAUDITED)

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Assessed Valuation <sup>1</sup>	<u>\$ 2,622,431,696</u>
Legal Debt Limit in the Amount of 4% of Assessed Valuation	\$ 104,897,268
Amount of Long Term Debt Subject to Legal Debt Limit	<u>-</u>
Legal Debt Margin	<u>\$ 104,897,268</u>

<sup>1</sup> Based on 2005 total assessed valuation

TABLE IX

CITY OF SANTA FE, NEW MEXICO  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2005  
(UNAUDITED)

	General Obligation as of June 30, 2005	Percentage Applicable to City of Santa Fe	City of Santa Fe Share of Debt
State of New Mexico	\$ 299,295,000	6.92%	\$ 20,711,214
Santa Fe County	36,650,000	55.20%	20,230,800
Santa Fe Public Schools	51,000,000	60.06%	30,630,600
Santa Fe Community College	24,899,000	60.06%	<u>15,083,340</u>
Total Direct and Overlapping Debt			<u><u>\$ 86,655,954</u></u>

## Ratios:

Total direct and overlapping debt to assessed valuation for tax year 2004 \$2,415,092,247	3.59%
Direct and overlapping debt to actual valuation of \$7,245,276,741	1.20%
Direct and overlapping debt per capita of 65,800	\$ 1,317

TABLE X

CITY OF SANTA FE, NEW MEXICO  
REVENUE BOND COVERAGE  
ENTERPRISE FUNDS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

**REFUSE SYSTEM BONDS**

Fiscal Year	Gross Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage Ratio
1996	6,221,622	4,452,722	1,768,900	480,000	91,758	571,758	3.09
1997	7,123,256	5,986,595	1,136,661	800,000	133,598	933,598	1.22
1998	8,382,057	6,809,405	1,572,652	725,000	112,584	837,584	1.88
1999	10,571,354	7,395,347	3,176,007	745,000	272,439	768,980	4.13
2000	7,234,904	6,735,602	499,302	765,000	239,053	1,004,053	0.50
2001	7,217,858	6,972,029	245,829	845,000	204,603	1,049,603	0.23
2002	7,686,945	6,407,879	1,279,066	855,000	173,020	1,028,020	1.24
2003	9,168,144	7,313,927	1,854,217	975,000	130,176	1,105,176	1.68
2004	8,758,678	7,389,506	1,369,172	830,000	79,800	909,800	1.50
2005	9,002,479	7,568,713	1,433,766	775,000	38,750	813,750	1.76

<sup>1</sup> Total operating, non-operating revenues and operating transfer in. Not included are bond issue proceeds.

<sup>2</sup> Total operating expenses exclusive of depreciation and bad debt expense.

(Continued)

TABLE X

CITY OF SANTA FE, NEW MEXICO  
REVENUE BOND COVERAGE  
ENTERPRISE FUNDS  
LAST EIGHT FISCAL YEARS  
(UNAUDITED)

**WATER REFUNDING BONDS**

Fiscal Year	Gross Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage Ratio
1996	16,713,722	8,800,706	7,913,016	-	2,251,084	2,251,084	3.52
1997	14,744,347	8,781,121	5,963,226	710,000	4,502,167	5,212,167	1.14
1998	15,657,391	10,902,173	4,755,218	980,000	4,473,767	5,453,767	0.87
1999	14,058,294	11,276,255	2,782,039	1,250,000	4,433,097	5,683,097	0.49
2000	16,054,358	10,990,899	5,063,459	1,520,000	4,379,972	5,899,972	0.86
2001	22,525,336	14,825,552	7,699,784	2,560,000	4,313,092	6,873,092	1.12
2002	28,391,646	9,782,972	18,608,674	2,680,000	4,197,892	6,877,892	2.71
2003	30,603,150	12,980,867	17,622,283	2,805,000	4,074,612	6,879,612	2.56
2004	28,068,292	16,399,297	11,668,995	2,935,000	3,942,778	6,877,778	1.70
2005	25,672,488	16,891,351	8,781,137	3,170,000	3,707,978	6,877,978	1.28

<sup>1</sup> Total operating, non-operating revenues and operating transfer in. Not included are bond issue proceeds.

<sup>2</sup> Total operating expenses exclusive of depreciation and bad debt expense.

Note: Bond Issued 1996

(Continued)

TABLE X

CITY OF SANTA FE, NEW MEXICO  
REVENUE BOND COVERAGE  
ENTERPRISE FUNDS  
LAST SEVEN FISCAL YEARS  
(UNAUDITED)

**MUNICIPAL RECREATION COMPLEX BONDS**

Fiscal Year	Gross Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage Ratio
1997	94,621	23,803	70,818	-	472,410	472,410	0.15
1998	11,581	399,169	-	-	733,050	733,050	-
1999	4,640,220	1,081,864	3,558,356	305,000	1,094,705	1,399,705	2.54
2000	3,410,269	2,069,710	1,340,559	320,000	1,029,467	1,349,467	0.99
2001	3,244,066	1,190,557	2,053,509	335,000	1,014,747	1,349,747	1.52
2002	2,316,542	727,534	1,589,008	465,000	996,190	1,461,190	1.09
2003	2,288,481	740,862	1,547,619	495,000	973,632	1,468,632	1.05
2004	2,433,497	817,025	1,616,472	515,000	949,227	1,464,227	1.10
2005	2,392,543	1,740,581	651,962	545,000	923,133	1,468,133	0.44

<sup>1</sup> Total operating, non-operating revenues and operating transfer in. Not included are bond issue proceeds.

<sup>2</sup> Total operating expenses exclusive of depreciation and bad debt expense.

Note: Bond Issued 1997

TABLE XI

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

**POPULATION:**

<b>YEAR</b>	<b>CITY</b>	<b>COUNTY</b>	<b>STATE</b>
1995	69,655	112,375	1,727,600
1996	70,839	114,285	1,693,000
1997	71,901	119,001	1,713,407
1998	63,685	121,791	1,729,751
1999	69,367	123,386	1,736,931
2000	69,299	124,288	1,823,000
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

Source: Estimated population figures for 1998, 1999, 2000, 2001, 2002, 2003 and 2004 were provided by the City of Santa Fe Planning Dept. staff. Estimated population figures for 1995 and 1996 were provided by Santa Fe County Chamber of Commerce. Estimated population figure for 1997 was provided by the Population Estimated Program, U.S. Bureau of the Census released March, 1997. Estimates for 1999-2004 were provided by the Bureau of Business and Economic Research and U.S. Census.

**AGE PROFILE:**

<b>AGE</b>	<b>CITY</b>	<b>STATE</b>	<b>UNITED STATES</b>
0-19	22.80%	31.10%	28.70%
20-34	20.00%	19.50%	20.90%
35-44	15.30%	15.50%	16.10%
45-54	17.30%	13.50%	18.10%
55+	24.60%	20.40%	16.20%
	100.00%	100.00%	100.00%

Source: Age profile for, "State and United States," U.S. Department of Commerce released December 2000.

(Continued)

TABLE XI

CITY OF SANTA FE, NEW MEXICO  
ECONOMIC AND DEMOGRAPHIC 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
1994	23,647	16,333	22,332
1995	24,885	18,055	22,788
1996	25,566	18,803	24,426
1997	26,536	19,249	25,298
1998	28,488	20,520	26,909
1999	29,346	20,920	27,859
2000	29,949	21,931	29,469
2001	31,568	23,081	30,413
2002	32,932	24,730	30,795
2003	32,378	24,903	31,487

Source: Bureau of Business & Economic Research, UNM

(Continued)



TABLE XI

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

**PUBLIC SCHOOL DISTRICT ENROLLMENT**

The Santa Fe Public School District consists of 20 elementary schools (which includes kindergarden), 4 mid-high schools, and 2 high schools.

<b>YEAR</b>	<b>PRE-KINDERGARTEN KINDERGARTEN</b>	<b>1-6</b>	<b>7-12</b>	<b>SPECIAL EDUCATION</b>	<b>TOTAL</b>
1995	1,001	6,654	4,901	616	13,172
1996	981	6,668	4,914	698	13,261
1997	986	6,618	5,018	759	13,381
1998	1,088	7,063	5,432	-	13,583
1999	1,113	7,072	5,527	-	13,712
2000	1,011	6,860	5,507	-	13,378
2001	1,015	6,879	5,199	-	13,093
2002	1,094	6,745	5,626	-	13,465
2003	1,056	6,819	5,682	-	13,557
2004	1,292	6,770	5,673	-	13,735

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.

<b>YEAR</b>	<b>KINDERGARTEN</b>	<b>1-6</b>	<b>7-12</b>	<b>SPECIAL EDUCATION</b>	<b>TOTAL</b>
1995	300	1,074	1,528	9	2,911
1996	266	834	2,085	9	3,194
1997	260	738	2,031	12	3,041
1998	287	826	2,120	4	3,237
1999	228	874	1,994	1	3,097
2000	263	868	1,700	0	2,831
2001	222	872	2,258	0	3,352
2002	275	847	2,244	0	3,366
2003	216	805	2,263	0	3,284
2004	188	820	2,379	0	3,387

Source: New Mexico Department of Education

(Continued)

TABLE XI

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

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## HIGHER EDUCATION ENROLLMENT

School Year Ending	College of Santa Fe	Santa Fe Community College	St. Johns College	UNM Graduate Center	Institute of Indian Arts
1995	1,433	9,262	605	557	180
1996	1,469	5,274	472	528	172
1997	1,417	5,625	486	335	109
1998	1,788	5,225	526	256	133
1999	1,809	5,262	535	249	128
2000	1,788	5,078	528	173	130
2001	2,392	8,421	516	118	146
2002	2,369	8,535	467	118	194
2003	2,520	8,756	444	82	199
2004	2,565	9,747	450	15	182

Source: Individual Institutions

TABLE XII

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

CALENDAR YEAR	PROPERTY VALUE <sup>1</sup>	CONSTRUCTION PERMITS <sup>2</sup>	
		ISSUED	VALUE
1995	2,025,228,219	1,724	102,458,231
1996	2,706,995,016	1,385	77,484,973
1997	2,795,111,929	1,427	84,583,077
1998	3,048,763,623	1,384	89,121,016
1999	3,231,587,632	5,441	125,101,646
2000	3,443,148,983	4,373	115,792,548
2001	3,616,542,015	5,209	154,772,016
2002	3,789,882,996	6,392	154,617,427
2003	4,053,243,194	6,006	135,332,034
2004	4,374,594,705	6,722	160,606,719

Utility Connections

CALENDAR YEAR	WATER METERS <sup>3</sup>	ELECTRIC METERS <sup>4</sup>	GAS METERS <sup>5</sup>	TELEPHONE STATIONS <sup>6</sup>
1995	23,892	48,300	33,126	30,851
1996	24,398	48,678	34,022	15,076
1997	24,996	49,934	35,743	22,777
1998	26,723	55,170	37,671	23,000
1999	27,642	55,238	38,871	Not Available
2000	28,221	56,325	40,096	Not Available
2001	28,893	58,593	40,489	Not Available
2002	31,477	60,515	41,968	Not Available
2003	31,615	62,330	42,599	Not Available
2004	33,734	64,199	43,876	Not Available

Source:

<sup>1</sup> Santa Fe County Assessor: Value of property on which taxes are assessed.

<sup>2</sup> City of Santa Fe Building Inspectors Office.

<sup>3</sup> Sangre De Cristo Water Division

<sup>4</sup> Public Service Company of New Mexico

<sup>5</sup> Public Service Company of New Mexico

<sup>6</sup> Public Regulation Commission

TABLE XIII

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

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FISCAL YEAR	PRINCIPAL	INTEREST	DEBT SERVICE	TOTAL GENERAL FUND EXPENDITURE	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
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The City of Santa Fe does not have any general obligation bonds outstanding.

TABLE XIV

PRINCIPAL TAXPAYERS IN SANTA FE COUNTY  
FOR THE CALENDAR YEAR 2005  
(UNAUDITED)

<b>TAXPAYER</b>	<b>TYPE OF BUSINESS</b>	<b>ASSESSED VALUATION</b>	<b>PERCENT OF TOTAL ASSESSED VALUE<sup>1</sup></b>
Public Service New Mexico	Utility	70,613,078	2.69%
Qwest	Utility	66,522,522	2.54%
Truzaf Ltd. Partnership	Retail	33,717,436	1.29%
La Posada	Hotel	33,519,583	1.28%
Villa Linda Mall	Shopping Center	30,427,262	1.16%
Thornton Estates	Private	20,684,245	0.79%
La Fonda Hotel	Hotel	19,000,000	0.72%
El Dorado Partnership	Hotel	18,294,500	0.70%
Zorro Ranch Trust	Financial	18,145,397	0.69%
San Christobal Ranch	Ranch	<u>16,859,627</u>	<u>0.64%</u>
Totals		<u><u>\$327,783,650</u></u>	<u><u>12.50%</u></u>

<sup>1</sup>Based on 2005 Total Assessed Valuation

Source: Santa Fe County Assessor's Office

TABLE XV

CITY OF SANTA FE, NEW MEXICO  
TEN LARGEST EMPLOYERS  
SANTA FE METROPOLITAN AREA  
JUNE 30, 2005  
(UNAUDITED)

EMPLOYER	TYPE OF BUSINESS	APPROXIMATE NUMBER OF EMPLOYEES	PERCENTAGE <sup>1</sup>
State of New Mexico	Government	9,443	12.5%
Santa Fe School District	Education	1,850	2.4%
U.S. Federal Government	Government	1,750	2.3%
City of Santa Fe	Government	1,719	2.3%
St. Vincent Hospital	Medical	1,450	1.9%
Santa Fe Community College	Education	717	0.9%
Santa Fe Opera	Entertainment	650	0.9%
College of Santa Fe	Education	564	0.7%
Cities of Gold	Entertainment	470	0.6%
Santa Fe County	Government	<u>445</u>	<u>0.6%</u>
Totals		<u><u>19,058</u></u>	<u><u>25.1%</u></u>

<sup>1</sup> These percentages are based on a total civilian labor force (Santa Fe County) of 75,811 from the Bureau of Business and Economic Research, UNM 9/23/2005

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF INSURANCE IN FORCE**  
**June 30, 2005**  
**(Unaudited)**

Insurance Carrier/Description	Policy #	Term
I. City of Santa Fe Self Insurance		
A. Worker's Compensation		Jul 01 - Jun 30
B. Retiree Health Insurance		Jul 01 - Jun 30
C. Group Health Insurance		Jul 01 - Jun 30
D. Fleet/Physical Damage	GPO6301413	Jul 01 - Jun 30
II. Employers Reinsurance Corporation		
Excess Worker's Compensation	652135	July 1 - June 30
III. St. Paul Insurance Company.		
Public Entity Package	GPO6301413	July 1 - June 30
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		
IV. Travelers Indemnity Company		
Boiler/Machinery	BAJBMC802X8550TIL04	July 1 - June 30
Hazardous Substance		
Water Damage		
Ammonia Contamination		
Expediting Expenses		
Ordinance or Law		
V. The Hartford Insurance Company		
A. Crime (TD&D - Money & Securities)	59BPECG1514	July 1 - June 30
B. Employee Dishonesty	59BPECG1514	July 1 - June 30
VI. Talbot Insurance Company		
A. Old Republic Insurance Company		
Airport General Liability	AAPN0097867A	July 1 - June 30
VII. Ing Benefits (ReliaStar)		
A. Specific Stop Loss	26001-1	Aug 31 - Aug 31
B. Aggregate Stop Loss		
C. Supplemental Life		

TABLE XVI

Coverage Limits	Annual Premium	Deductible	Miscellaneous
Maximum benefits under law	\$881,636		(Medical and Indemnity)
Unlimited	\$3,114,451		
Unlimited	\$9,673,299		
Replacement cost	\$38,896	25,000	
Statutory limit	\$93,341	\$350,000	Self-Insured Retention
	\$1,336,433		
\$250,000,000		\$75,000	
Aggregate \$3 million, \$1,050,000 tort limit		\$50,000	Self-Insured Retention
\$1,050,000		\$50,000	Self-Insured Retention
\$1,050,000		\$50,000	
Actual Cash Value		\$25,000	Self-Insured Retention
\$1,050,000		\$50,000	
Various		\$25,000	
\$4,000,000	\$336,787	\$50,000	
\$4,000,000	\$383,365	\$100,000	
\$10,000,000	\$20,266	\$5,000	
\$100,000			
\$100,000			
\$100,000			
\$100,000			
\$500,000			
\$100,000	\$2,650	\$5,000	
\$500,000	\$3,114	\$5,000	
\$20,000,000	\$18,500	\$2,500	
Medical in excess of \$200,000	\$377,136		
\$2,000,000	\$25,000		
2x annual salary-Natural death,	\$360,927		
4x annual salary-Accidental death			



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**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF INSURANCE IN FORCE**  
**June 30, 2005**  
**(Unaudited)**

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Insurance Carrier/Description	Policy #	Term
VIII. Zurich American Insurance Company Underground Storage Tank Liability	USC 92723842	July 1 - June 30
IX. AIG Environmental		
A. Pollution Legal Liability	PLS2673957	July 1 - June 30
B. Santa Fe Solid Waste Mgmt. Agency	EG 2671908	July 1 - June 30
C. Fiduciary Employee Benefit Plan	2994105	July 1 - June 30
X. Fireman's Fund Exhibition Floater	MXI-98382479	July 1 - June 30
XI. Scottsdale Insurance Company Skateboard/BMXTrack/Parks	BCS 0008266	July 1 - June 30

TABLE XVI

Coverage Limits	Annual Premium	Deductible	Miscellaneous
\$1,000,000 Total	\$2,644	\$5,000	
\$2,000,000 aggregate	\$97,960	\$50,000	
\$1,000,000	\$62,205	\$25,000	
\$2,000,000 aggregate	\$10,373	\$25,000	Retention
\$50,000	\$1,000	\$500	
\$1,000,000 aggregate	\$36,185	\$50,000	Self Insurance Retention

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

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Form of Government

The City has a mayor/council/city manager form of government with the mayor and eight member council elected by district for four-year overlapping terms. The non-partisan elections are held each March of odd numbered years.

The City Charter provides for a City Manager appointed by the Mayor and approved by the Council who is responsible for the administration of the merit system and, subject to the authority of the Mayor, supervises the operation of all departments.

Year of incorporation	1891
City area (square miles)	37.4
Fire Protection	
Number of stations (Manned and Unmanned)	8
Total employees (Includes 8 Civilians)	125
Police Protection	
Number of stations	3
Total employees (Includes 43 Civilians)	198
Parks	
Acreage (developed, not open space or trails)	365
Number of parks	60
Community centers and recreational buildings	4
Swimming pools	4
Tennis courts	28
Libraries	
Holdings	268,983 items
Circulation	448,294 per year
Municipal Sewer	
Number of sewer accounts	27,273
Miles of sanitary lines	300

Notes:

Data as of June 30, 2005

## **Supplementary Schedules**

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINED SCHEDULE OF DEPOSITS AND INVESTMENTS**  
**(RECONCILIATION OF BANK BALANCE TO CARRYING BALANCE)**  
**ALL FUNDS**  
**June 30, 2005**

	Type of Account	Bank Balance	Outstanding Checks	Deposits In Transit	Carrying Balance	FAIR VALUE
<b>Primary government</b>						
Change, imprest funds	Petty cash	\$ -	\$ -	\$ -	\$ 7,310	\$ 7,310
Deposits with financial institutions:						
First National Bank of S.F. -Payroll	Checking	23,286	31,960	-	(8,675)	(8,675)
First National Bank of S.F. -Medical Claims	Checking	768,843	443,955	-	324,888	324,888
First National Bank of S.F. -Gen. Liability	Checking	98,344	64,910	-	33,434	33,434
First National Bank of S.F. -Workers Comp	Checking	92,896	29,866	-	63,030	63,030
First National Bank of S.F. -E&O/Law Enfor	Checking	41,889	-	-	41,889	41,889
First National Bank of S.F.-HUD Section 108	Checking	288,257	-	-	288,257	288,257
First National Bank of S.F. -Common	Checking	521,625	-	-	521,625	521,625
First National Bank of S.F.-Ambulance	Lockbox	15,063	-	-	15,063	15,063
First National Bank of S.F. -Sweep	Sweep	7,261,885	2,709,932	448,347	5,000,299	5,000,299
First National Bank of S.F. -1996C/1998 bond	Reserve	20	-	-	20	20
First National Bank of S.F. -2004B bond	Reserve	32,108	-	-	32,108	32,108
Bank of Albuquerque-NMFA Water loan	Trust/Sweep	255,913	-	-	255,913	255,913
Bank of Albuquerque-NMFA Fire Vehicle loan	Trust/Sweep	129,930	-	-	129,930	129,930
Bank of Albuquerque-NMFA Railyard loan	Trust/Sweep	5,098,054	-	-	5,098,054	5,098,054
New Mexico Finance Authority-Captlzd int	Trust	427,504	-	-	427,504	427,504
New Mexico Finance Authority-Wtr Reserve	Trust	37,374	-	-	37,374	37,374
Global Payment Systems -credit card pymts	Clearing	17,849	-	-	17,849	17,849
Century Bank-Certificate of Deposit	Time Deposit	100,000	-	-	100,000	100,000
Guadalupe Credit Union-CD	Time Deposit	100,000	-	-	100,000	100,000
First State Bank-CD	Time Deposit	200,000	-	-	200,000	200,000
State Employees Credit Union-CD	Time Deposit	100,000	-	-	100,000	100,000
Wells Fargo Bank-CD	Time Deposit	100,000	-	-	100,000	100,000
Los Alamos National Bank-CD	Time Deposit	100,000	-	-	100,000	100,000
Community Bank-CD	Time Deposit	200,000	-	-	200,000	200,000
First Richmond Bank-CD	Time Deposit	100,000	-	-	100,000	100,000
Total bank and carrying balances		<u>16,110,839</u>	<u>3,280,624</u>	<u>448,347</u>	<u>13,278,563</u>	<u>13,278,563</u>
Federated Ultrashort Gov't Fund-Mny Mkt	Investment	13,867,581			13,867,581	13,867,581
Blackrock Investors T-Fund Money Mkt	Investment	16,000,000			16,000,000	16,000,000
Fidelity Government Fund-Money Mkt	Investment	14,000,000			14,000,000	14,000,000
Thornburg NM Muni Fund-Money Mkt	Investment	497,392			497,392	497,392
NM State Local Government Investment Pool	Investment	29,000,000			29,000,000	29,000,000
JP Morgan Chase-repurchase agrmt	Investment	88,003			88,003	88,003
New Mexico Municipal Securities	Investment	2,950,000			2,960,403	2,927,413
U.S. Government Securities	Investment	7,537,000			7,545,903	7,524,674
U.S. Government Agency Securities	Investment	<u>72,547,675</u>			<u>72,644,858</u>	<u>71,985,567</u>
Total investment balances		<u>156,487,652</u>			<u>156,604,141</u>	<u>155,890,630</u>
<i>Less: joint venture share of pooled cash</i>					(13,535,563)	(13,535,563)
<b>Total primary government</b>			<u>3,280,624</u>	<u>448,347</u>	<u>156,354,450</u>	<u>155,640,940</u>

**CITY OF SANTA FE, NEW MEXICO**  
**COMBINED SCHEDULE OF DEPOSITS AND INVESTMENTS**  
**(RECONCILIATION OF BANK BALANCE TO CARRYING BALANCE)**  
**ALL FUNDS**  
**June 30, 2005**

	Type of Account	Bank Balance	Outstanding Checks	Deposits In Transit	Carrying Balance	FAIR VALUE
(continued)						
<b>Component unit</b>						
Change, imprest funds	Petty cash	\$ -	\$ -	\$ -	\$ 225	\$ 225
Deposits with financial institutions:						
Century Bank-Security deposit account	Savings	9,177	-	-	9,177	9,177
Century Bank-La Cieneguita operating	Checking	16,158	11,112	-	5,046	5,046
Century Bank-Insurance & taxes	Savings	4,860	-	-	4,860	4,860
Century Bank-Replacement reserve	Savings	13,950	-	-	13,950	13,950
Century Bank-Residual receipts	Savings	76,952	-	-	76,952	76,952
First State Bank-General operating	Checking	163,848	154,716	15,312	24,444	24,444
First State Bank-Operating (voucher)	Checking	559,816	3,820	-	555,996	555,996
First State Bank-Reserves (voucher)	Savings	526,488	-	-	526,488	526,488
First State Bank-FSS Escrow	Checking	163,988	-	-	163,988	163,988
Los Alamos Natl Bank-Operating	Checking	103,803	40,542	-	63,261	63,261
Los Alamos Natl Bank-Board account	Checking	47,994	-	-	47,994	47,994
Los Alamos Natl Bank-Security deposit	Savings	39,302	125	-	39,177	39,177
Los Alamos Natl Bank-Security deposit	Savings	8,208	-	-	8,208	8,208
Los Alamos Natl Bank-Operating Ceilo Azul	Checking	112,764	4,613	-	108,151	108,151
Bank of New York-Bond fund	Trust	202,022	-	-	202,022	202,022
Bank of New York-Debt service fund	Trust	263,449	-	-	263,449	263,449
Bank of New York-Extraordinary maintenance	Trust	108,836	-	-	108,836	108,836
Bank of New York-Insurance escrow	Trust	69,923	-	-	69,923	69,923
Bank of New York-Operating	Trust	71,116	-	-	71,116	71,116
Bank of New York-PY Surplus fund	Trust	513,910	-	-	513,910	513,910
Bank of New York-Revenue fund	Trust	27,525	-	-	27,525	27,525
Total bank and carrying balances		<u>3,104,089</u>	<u>214,928</u>	<u>15,312</u>	<u>2,904,698</u>	<u>2,904,698</u>
Wells Fargo Bank	Investment	234,614			234,614	234,614
<b>Total component unit</b>			<u>214,928</u>	<u>15,312</u>	<u>3,139,312</u>	<u>3,139,312</u>
<b>TOTAL BANK BALANCE ALL FUNDS</b>			<u><u>\$ 3,495,552</u></u>	<u><u>\$ 463,659</u></u>	<u><u>\$ 159,493,762</u></u>	<u><u>\$ 158,780,252</u></u>

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF PLEDGED COLLATERAL**  
**(MARKET VALUE)**

**June 30, 2005**

	Maturity Date	Bank Balance	Federal Depository Insurance	Total Unsecured Public Funds	Required Collateral	Pledged Securities Market Value	Over/ Under
<b>PRIMARY GOVERNMENT:</b>							
<u>First National Bank of Santa Fe:</u>							
Payroll Checking		\$ 23,286	-	23,286	23,751		
Medical Claims Checking		768,843	-	768,843	784,220		
General Liability Checking		98,344	-	98,344	100,311		
Workers Comp Checking		92,896	-	92,896	94,754		
E&O/Law Enforcement Liability		41,889	-	41,889	42,727		
Common Checking		521,625	100,000	421,625	430,058		
Sweep Account		7,261,885	n/a	-	n/a		
Ambulance Lockbox		15,063	-	15,063	15,364		
HUD Section 108		288,257	-	288,257	294,022		
First National Bank of Santa Fe Totals		9,112,087	100,000	1,750,202	1,785,206		
<u>Collateral held at FRB, Kansas City:</u>							
FHLB, cusip 3133YM66	1/29/07					2,450,121	
FHLMC, cusip 31394GTx1	12/15/16					118,506	
FNMA, cusip 31371KBN0	8/1/21					537,773	
FNMA, cusip 31371RMM5	2/1/33					609,964	
FNMA, cusip 31382N2V3	3/1/29					2,040,201	
GNMA II, cusip 36202DLU3	2/20/31					171,393	
						5,927,957	4,142,751
<u>Community Bank:</u>							
Certificate of Deposit		\$ 200,000	100,000	100,000	102,000		
<u>Collateral held at FRB, Kansas City:</u>							
FHLMC, cusip 31282R4S0	8/1/10					90,649	
FNMA, cusip 31360FCZ6	2/1/24					80,379	
						171,028	69,028
<u>First State Bank:</u>							
Certificate of Deposit		\$ 200,000	100,000	100,000	102,000		
<u>Collateral:</u>							
FHLB, cusip 3133MY3B1	4/23/08					123,555	21,555

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF PLEDGED COLLATERAL**  
**(MARKET VALUE)**

**June 30, 2005**

	Maturity Date	Bank Balance	Federal Depository Insurance	Total Unsecured Public Funds	Required Collateral	Pledged Securities Market Value	Over/ Under
(continued)							
<b>COMPONENT UNIT:</b>							
<u>Century Bank</u>							
Checking		\$ 121,096	100,000	21,096	10,548		
Collateral							
None						-	<u>(10,548)</u>
 <u>First State Bank</u>							
Checking		\$ 1,414,140	100,000	1,314,140	657,070		
Collateral held at FRB Dallas:							
FHLB, cusip 3133MY3B1	4/23/08					380,665	
FHLB, cusip 3133MVNV1	2/12/04					98,906	
FHLB, cusip 31339YEL2	12/11/04					43,524	
FHCB, cusip 31331TMT5	6/12/08					157,200	
FHCB, cusip 31331Q7A9	8/4/09					49,313	
MBS FHLMC, cusip 312962FT	3/25/26					380,924	
						<u>1,110,532</u>	<u>453,462</u>
 <u>Los Alamos National Bank</u>							
Checking		\$ 312,072	100,000	212,072	106,036		
Collateral held at FRB Dallas:							
FHLD, cusip 33131RXX6	7/20/05					200,387	
FHLD, cusip 31339YD25	7/24/06					343,614	
						<u>544,001</u>	<u>437,965</u>
 <u>First State Bank:</u>							
Checking		\$ 825,296	100,000	725,296	739,802		
Collateral held at FRB Dallas:							
FHLB, cusip 3133MY3B1						370,549	
FHLB, cusip 3133MVNV1						99,375	
FHLB, cusip 31339YEL2						42,933	
FHCB, cusip 31331TMT5						156,420	
FHCB, cusip 3133Q7A9						48,485	
FNMA, cusip 31392HDN0						67,007	
						<u>784,769</u>	<u>48,485</u>



**CITY OF SANTA FE, NEW MEXICO**  
**Proprietary Funds and Discretely Presented Component Units**  
**Schedule of Capital Assets and Depreciation**  
**For the Year Ended June 30, 2005**

	ASSETS				ALLOWANCE FOR DEPRECIATION		
	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005	Current Fiscal Year Deprec.	Accumulated Balance June 30, 2005	Net Asset Value June 30, 2005
<b>Enterprise funds</b>							
<u>Primary government</u>							
Land	\$ 5,673,907	\$ 20,150,838	\$ -	\$ 25,824,745	\$ -	\$ -	\$ 25,824,745
Buildings and structures	57,071,171	151,876	-	57,223,047	1,205,773	19,806,960	37,416,087
Improvements	107,610,174	137,678	-	107,747,852	6,296,907	42,637,988	65,109,864
Sewerlines	21,120,966	-	-	21,120,966	499,670	11,614,211	9,506,755
Equipment and machinery	13,008,503	371,786	(446,353)	12,933,936	827,272	10,901,916	2,032,020
Furniture and fixtures	730,268	65,852	-	796,120	73,272	606,888	189,232
Vehicles	16,384,111	680,816	(922,577)	16,142,350	1,537,537	10,697,463	5,444,887
Intangible plant	57,625	-	-	57,625	3,033	57,625	-
Data processing and software	2,104,457	385,244	(66,578)	2,423,123	368,296	1,431,192	991,931
Art	185,971	-	(5,000)	180,971	-	-	180,971
Construction in progress	22,968,391	8,657,888	-	31,626,279	-	-	31,626,279
Total - primary government	246,915,544	30,601,978	(1,440,508)	276,077,014	10,811,760	97,754,243	178,322,771
<u>Component unit</u>							
Housing Authority:							
Land	290,852	300,000	-	590,852	-	-	590,852
WIP	159,844	437,650	-	597,494	-	-	597,494
Buildings and improvements	22,299,746	1,868,021	-	24,167,767	923,348	14,441,201	9,726,566
Equipment and machinery	129,608	25,003	-	154,611	24,107	146,305	8,306
Furniture and fixtures	243,759	-	-	243,759	5,359	243,759	-
Vehicles	166,662	36,037	-	202,699	18,130	105,215	97,484
Total	23,290,471	2,666,711	-	25,957,182	970,944	14,936,480	11,020,702
Total component unit	23,290,471	2,666,711	-	25,957,182	970,944	14,936,480	11,020,702
<b>Total Enterprise funds</b>	<b>270,206,015</b>	<b>33,268,689</b>	<b>(1,440,508)</b>	<b>302,034,196</b>	<b>11,782,704</b>	<b>112,690,723</b>	<b>189,343,473</b>
<b>Total Proprietary funds:</b>							
Primary government	246,915,544	30,601,978	(1,440,508)	276,077,014	10,811,760	97,754,243	178,322,771
Component unit	23,290,471	2,666,711	-	25,957,182	970,944	14,936,480	11,020,702
<b>Total Proprietary funds</b>	<b>\$ 270,206,015</b>	<b>\$ 33,268,689</b>	<b>\$ (1,440,508)</b>	<b>\$ 302,034,196</b>	<b>\$ 11,782,704</b>	<b>\$ 112,690,723</b>	<b>\$ 189,343,473</b>

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## **Other Supplementary Financial Data (Unaudited)**

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Industrial Revenue Bonds Authorized**  
**As of June 30, 2005**  
**(Unaudited)**

<b>Recipient</b>	<b>Year Issue</b>	<b>Year of Retirement</b>	<b>Interest Rate</b>	<b>Amount of Issue</b>	<b>Purpose</b>
Hillhaven Corporation	1983	2013	68% of prime rate of Bank of New York	4,060,000	Construction of Nursing Home
Crow-Hobbs	1983	2013	10.25%	4,000,000	Commercial Office
Marcy Plaza – Phase II	1985	2005	Variable	3,000,000	Commercial Office and Parking Facility
College of Santa Fe	1997	2021	3.9% - 6.0%	8,770,000	Redeem portion of Outstanding debt and Fund capital projects
College of Santa Fe	1998	2028	5.00%	3,825,000	Construction and remodeling of 48 student housing units
College of Santa Fe	2001	2026	4.50%-6.25%	2,335,000	Renovation of an 86 student residence hall
College of Santa Fe	2004	2028	5.50%-5.75%	5,400,000	Acquiring, renovating and expanding class- room and teaching facilities
St. John's College	1998	2024	4.50%-5.10%	6,900,000	Refund the outstanding balance on the 1992 debt issue and construction of campus facilities

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Bonds Payable**  
**Classified by Fund and Purpose**  
**June 30, 2005 (UNAUDITED)**

Fund and Purpose	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Outstanding June 30, 2005	
					Series Issue	Total
Revenue bonds payable solely from state-shared taxes:						
Gross receipts tax	3.96% - 6.50%	09/15/96	20,910,000	June 1, 2006	2,555,000	
	3.96% - 6.50%	09/15/96	19,080,000	June 1, 2023	15,190,000	
	4.50% - 5.50%	11/25/97	22,000,000	June 1, 2010	17,010,000	
	4.00% - 6.00%	12/11/97	20,800,000	June 1, 2022	19,500,000	
	4.00% - 5.60%	11/30/99	18,500,000	June 1, 2012	16,330,000	
	3.00% - 5.25%	02/01/02	17,995,000	June 1, 2015	15,700,000	
	2.00% - 4.00%	01/14/04	18,660,000	June 1, 2018	16,535,000	
	2.75% - 4.25%	08/25/04	8,470,000	June 1, 2010	7,090,000	
Total bonds payable solely from state-shared taxes					<u>109,910,000</u>	
Total bonds payable from tax revenue (governmental)						\$ 109,910,000
Revenue bonds payable from Enterprise funds (primary government)						
Municipal Recreation Complex	4.45% - 5.75%	09/15/96	13,295,000	June 1, 2021	10,825,000	
Municipal Recreation Complex	4.60% - 5.30%	04/01/98	5,715,000	Dec. 1, 2023	<u>5,205,000</u>	
Total bonds payable from Municipal Recreation Complex fund					<u>16,030,000</u>	
Water revenue bonds	4.00% - 8.00%	12/01/95	77,940,000	June 1, 2017	<u>59,330,000</u>	
Total revenue bonds payable from Enterprise funds (business-type)						<u>75,360,000</u>
TOTAL LONG-TERM INDEBTEDNESS						<u>\$ 185,270,000</u>

**CITY OF SANTA FE, NEW MEXICO**  
**Schedule of Mortgage Revenue Bonds Authorized**  
**As of June 30, 2005**  
**(Unaudited)**

<b>Recipient</b>	<b>Year Issue</b>	<b>Year of Retirement</b>	<b>Interest Rate</b>	<b>Amount of Issue</b>	<b>Purpose</b>
Single Family Mortgage Revenue Bonds - FNMA And GNMA Mortgage - Backed Securities Program—Series 1995A	1995	2028	4.55%-6.30%	\$10,500,000	Finance a Single Family Mortgage Loan Program
Single Family Mortgage Revenue Bonds – FNMA And GNMA Mortgage - Backed Securities Program—Series 1995B	1995B1 1995B2	2028 2028	4.65%-6.25 5.66%-5.80	10,000,000 10,000,000	Finance a Single Family Mortgage Loan Program

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF JOINT POWERS AGREEMENT**  
**FISCAL YEAR ENDED**  
**June 30, 2005**

<b>PARTICIPANTS</b>	<b>RESPONSIBLE PARTY</b>	<b>DESCRIPTION</b>	<b>DATES OF AGREEMENT</b>	<b>TOTAL AMOUNT/ CITY SHARE</b>	<b>FY05 AMOUNT</b>	<b>AUDIT RESPONSIBILITY</b>
City of Santa Fe Santa Fe County	Solid Waste Management Agency	Disposal of Solid Waste	09/08/1995 until termination	Fees for Usage	\$ 2,333,871	SWAMA
City of Santa Fe Santa Fe County	Regional Emergency Regional Center	Establishment of E911 Communication Center	11/01/2001 until termination	2,710,666 1,820,917	1,820,917	RECC
City of Santa Fe Santa Fe County	Both	Extra Territorial Zoning Subdivision Authority	03/25/1981 until termination	-	-	Both
City of Santa Fe Santa Fe County	Both	Create Regional City/ County Planning Authority	06/30/1982 until termination	-	-	Both
City of Santa Fe Santa Fe County	Both	Sanitary Sewer Service	02/14/1996 until termination	-	-	N/A
City of Santa Fe Santa Fe County	Both	Urban Growth Area within the Extraterritorial Zone	06/04/2002 until termination	-	-	N/A
City of Santa Fe Santa Fe County	Both	Joint Regional Trails and Open Space Santa Fe River Trails Project	09/14/2004 to 06/30/2007	172,286	172,286	City of Santa fe
City of Santa Fe Santa Fe County	Both	Governing the Buckman Direct Diversion Project	10/07/2004 until termination	50% Ownership	-	City of Santa Fe
City of Santa Fe-Police Department Santa Fe County	Both	DWI Enforcement	07/01/2004 to 06/30/2005	8,700	8,700	City of Santa Fe

(Continue)

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF JOINT POWERS AGREEMENT**  
**FISCAL YEAR ENDED**  
**June 30, 2005**

<b>PARTICIPANTS</b>	<b>RESPONSIBLE PARTY</b>	<b>DESCRIPTION</b>	<b>DATES OF AGREEMENT</b>	<b>TOTAL AMOUNT/ CITY SHARE</b>	<b>FY05 AMOUNT</b>	<b>AUDIT RESPONSIBILITY</b>
City of Santa Fe Santa Fe County	Both	Santa Fe National Forest Senic Byway Corridor Management	05/07/2004 until termination	\$ 60,000	\$ 60,000	City of Santa Fe
City of Santa Fe Santa Fe County	Both	Water Resource Agreement	01/12/2005 until termination	-	-	City of Santa Fe
City of Santa Fe Santa Fe County	Both	Buckman Direct Diversion Project	01/12/2005 until termination	-	-	City of Santa Fe
City of Santa Fe New Mexico Energy, Minerals and Natural Resources Department	City of Santa Fe	Hazardous Fuels Reduction Grant programs 04-0521-0494-0080	04/12/2004 until termination	- Reimbursement	156,000	City of Santa Fe
City of Santa Fe New Mexico Energy, Minerals and Natural Resources Department	City of Santa Fe	Recreational Trail Program 04-521-0500-0088	10/24/2003 to 12/31/2006	297,955 59,591	297,955	City of Santa Fe
City of Santa Fe New Mexico Human Service	City of Santa Fe	Job Access & Reverse Commute Program JPA-03-46	05/27/2003 to 06/27/2004	633,000 318,000	633,000 318,000	City of Santa Fe
City of Santa Fe New Mexico Department of Tourism	City of Santa Fe	Santa Fe Vistor Info Center	07/01/2003 to 06/30/2004	23,000 23,000	23,000	City of Santa Fe
City of Santa Fe New Mexico Department of Finanace & Administration	City of Santa Fe	Farmer's Market Program	09/25/2003 to 10/01/2004	121,000	121,000	City of Santa Fe



**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF JOINT POWERS AGREEMENT**  
**FISCAL YEAR ENDED**  
**June 30, 2005**

<b>PARTICIPANTS</b>	<b>RESPONSIBLE PARTY</b>	<b>DESCRIPTION</b>	<b>DATES OF AGREEMENT</b>	<b>TOTAL AMOUNT/ CITY SHARE</b>	<b>FY05 AMOUNT</b>	<b>AUDIT RESPONSIBILITY</b>
						(Continue)
City of Santa Fe Santa Fe Public Schools	Both	Cops in Schools Program	09/26/2004 to 06/30/2005	\$ 142,000	\$ 142,000	City of Santa Fe
City of Santa Fe Children Youth and Families	Both	Case Manager	07/01/2004 to 06/30/2005	50,000	25,000	City of Santa Fe
City of Santa Fe Children Youth and Families	Both	Juvenile Accountability Block Grant	10/01/2003 to 09/30/2004	200,000	200,000	City of Santa Fe
City of Santa Fe Children Youth and Families	Both	Hire of Schools Skills Coach	07/01/2004 to 06/30/2005	180,000	90,000	City of Santa Fe
City of Santa Fe Children Youth and Families	Both	Maintain a Continuum of Programs for at risk teens	10/01/2004 to 06/30/2005	150,000	150,000	City of Santa Fe
City of Santa Fe State of NM Dept. of Aging	Both	Provide Senior Companion Services	07/01/2004 to 06/30/2005	99,101 30,181	99,181	City of Santa Fe
City of Santa Fe NM Dept of Transportation NM Human Services Dept	All	Welfare to Work Program	10/01/2004 to 06/30/2005	1,055,000	-	City of Santa Fe
City of Santa Fe State Highway and Transportation	Both	Metropolitan Planning Organization	02/09/2005 until termination	89,338	-	City of Santa Fe
City of Santa Fe State Highway and Transportation	Both	Metropolitan Traffic Count Program	02/09/2005 until termination	23,408	-	City of Santa Fe
City of Santa Fe	Both	Senior Companion	06/14/2004 to	129,282	129,282	Both

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CITY OF SANTA FE, NEW MEXICO  
SCHEDULE OF JOINT POWERS AGREEMENT  
FISCAL YEAR ENDED  
June 30, 2005

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PARTICIPANTS	RESPONSIBLE PARTY	DESCRIPTION	DATES OF AGREEMENT	TOTAL AMOUNT/ CITY SHARE	FY05 AMOUNT	AUDIT RESPONSIBILITY
State of NM Dept. of Aging		Program	06/30/2005	30,181		
						(Continue)
City of Santa Fe	Both	Retired Senior	06/14/2004 to	\$ 115,176	\$ 115,176	Both
State of NM Dept. of Aging		Volunteer	06/30/2005	48,621		
City of Santa Fe	Both	Foster Grandparents	06/14/2004 to	215,382	215,382	Both
State of NM Dept. of Aging			06/30/2005	85,904		

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF OTHER FINANCIAL ASSISTANCE**  
**FISCAL YEAR ENDED**  
**June 30, 2005**  
**(UNAUDITED)**

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2004	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2005
<b>N.M. HIGHWAY AND TRANSPORTATION DEPARTMENT</b>					
Airport Improvements	\$ 87,448	\$ 8,967	\$ -	\$ -	\$ 8,967
Scenic Byways	259,000	16,260	20,861	9,467	4,866
Airport Improvements	25,507	-	867	867	-
Airport Improvements	26,315	-	2,621	2,621	-
Airport Improvements	42,250	-	697	697	-
Airport Improvement Grant	150,000	-	1,057	1,057	-
El Camino Real Scenic Byways	151,352	-	6,705	12,668	5,963
Paseo de la Conquistadora	125,000	14,462	125,000	110,538	-
Old Pecos Trail Design	1,682,000	431,540	1,272,886	841,346	-
Park and Ride Parking Lot	205,343	22,630	22,630	167,148	167,148
Osage Bridge	30,000	-	-	30,000	30,000
Camino De Los Montoya's	60,000	56,168	60,000	3,832	-
Casa Alegre	210,000	13,330	13,330	6,052	6,052
<b>TOTAL Highway and Transportation Department</b>	<b>\$ 3,054,215</b>	<b>\$ 563,357</b>	<b>\$ 1,526,654</b>	<b>\$ 1,186,293</b>	<b>\$ 222,996</b>
<b>N.M. DEPARTMENT OF TOURISM</b>					
Beautification and Litter Control Program	\$ 74,400	20,271	\$ 23,218	\$ 24,969	\$ 22,022
Russian Summer in Santa Fe	25,000	25,000	25,000	-	-
<b>TOTAL N.M. Department of Tourism</b>	<b>\$ 99,400</b>	<b>\$ 45,271</b>	<b>\$ 48,218</b>	<b>\$ 24,969</b>	<b>\$ 22,022</b>
<b>N.M. HEALTH AND ENVIRONMENT DEPARTMENT</b>					
SF Water Treatment Facility	\$ 2,000,000	\$ -	\$ -	\$ 128,242	\$ 128,242
Buckman Direct Diversion	50,000	-	-	50,000	50,000
Water Treatment Plant Filter Rehab	1,625,000	1,625,000	1,625,000	-	-
<b>TOTAL Health and Environment Department</b>	<b>\$ 3,675,000</b>	<b>\$ 1,625,000</b>	<b>\$ 1,625,000</b>	<b>\$ 178,242</b>	<b>\$ 178,242</b>
<b>N.M. ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT</b>					
Santa Fe River State Plan	\$ 75,000	37,718	\$ 37,718	\$ -	\$ -
Santa Fe River & River Trail	164,000	164,000	164,000	-	-
Hazardous Fuel Reduction (Project 1)	156,000	-	-	23,882	23,882
Wildland Urban Interface (Project 3)	180,000	-	-	16,891	16,891
<b>TOTAL Energy, Minerals and Natural Resources</b>	<b>\$ 575,000</b>	<b>\$ 201,718</b>	<b>\$ 201,718</b>	<b>\$ 40,773</b>	<b>\$ 40,773</b>

(continued)

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF OTHER FINANCIAL ASSISTANCE**  
**FISCAL YEAR ENDED**  
**June 30, 2005**  
**(UNAUDITED)**

<b>Grantor Program Name Grant Number</b>	<b>State Program or Award Amount</b>	<b>Cash/Accrued or (Deferred) Revenue at July 1, 2004</b>	<b>Cash or Receipts Recognized</b>	<b>Disbursements/ Expenditures</b>	<b>Cash/Accrued or (Deferred) Revenue at June 30, 2005</b>
<b>STATE AGENCY ON AGING</b>					
Title III-B	\$ 111,847	2,994	\$ 106,646	\$ 111,847	\$ 8,195
Title III-C-1	93,542	16,694	87,205	93,542	23,031
Title III-C-2	128,003	18,921	125,712	128,003	21,212
Senior Companion Program	102,101	31,618	111,004	102,101	22,715
Foster Grandparent Program	103,732	35,907	121,971	101,795	15,731
Retired Senior Volunteer Program	31,610	11,406	35,650	30,838	6,594
Title III-E	133,472	2,801	104,875	133,472	31,398
State Area On Aging Capital improvemnts	341,671	238,627	238,627	103,044	103,044
Senior Employment Program	25,633	2,891	24,540	25,633	3,984
Southside Senior Center	278,500	18,997	-	39,183	58,180
Senior Citizen Center	242,550	55,133	55,133	-	-
Senior Citizen Center	247,500	67,409	67,409	180,091	180,091
Senior Citizen Center	90,000	-	-	90,000	90,000
Human Services Provider-Vans	71,000	18,658	18,658	-	-
<b>TOTAL State Agency on Aging</b>	<b>\$ 2,001,161</b>	<b>\$ 522,056</b>	<b>\$ 1,097,430</b>	<b>\$ 1,139,549</b>	<b>\$ 564,175</b>
<b>COUNTY OF SANTA FE</b>					
County Grant	\$ 328,783	70,303	\$ 70,303	\$ 328,783	\$ 328,783
Sec 9-Santa Fe County	121,800	7,845	222,845	314,420	99,420
Trails/Bike Paths	65,000	-	-	31,128	31,128
DWI Compliance/Clerical	17,226	3,964	13,709	14,382	4,637
DWI-Police Protection	4,307	4,307	7,953	3,646	-
Railyard	160,000	-	-	160,000	160,000
<b>TOTAL County of Santa Fe</b>	<b>\$ 697,116</b>	<b>\$ 86,419</b>	<b>\$ 314,810</b>	<b>\$ 852,359</b>	<b>\$ 623,968</b>
<b>SANTA FE PUBLIC SCHOOLS</b>					
Crossing Guards Grant	\$ 150,581	\$ 35,297	\$ 150,851	\$ 136,115	\$ 20,561
<b>TOTAL Santa Fe Public Schools</b>	<b>\$ 150,581</b>	<b>\$ 35,297</b>	<b>\$ 150,851</b>	<b>\$ 136,115</b>	<b>\$ 20,561</b>
<b>N.M. DEPARTMENT OF FINANCE AND ADMINISTRATION</b>					
MRC Rugby Fields	\$ 100,000	\$ -	\$ 2,799	\$ 2,799	\$ -
El Museo Cultural	198,000	71,170	71,170	126,830	126,830
Santa Fe Boys and Girls Club	280,000	-	-	29,650	29,650
Camino Carlos Rey Water Improvement	200,000	75,969	-	-	75,969
NM Interstate Stream Commision	390,000	3,140	-	-	3,140
Municipal Court Automation	126,626	24,084	-	51,466	75,550
Santa Fe Railyard	550,000	284,755	284,755	147,184	147,184
Southside Library	25,000	25,000	25,000	-	-
Santa Fe Rail Acquisition	4,600,000	-	4,449,031	4,449,031	-
Santa Fe Youth Consortium	211,400	35,110	35,110	155,439	155,439

(continued)

**CITY OF SANTA FE, NEW MEXICO**  
**SCHEDULE OF OTHER FINANCIAL ASSISTANCE**  
**FISCAL YEAR ENDED**  
**June 30, 2005**  
**(UNAUDITED)**

<b>Grantor Program Name Grant Number</b>	<b>State Program or Award Amount</b>	<b>Cash/Accrued or (Deferred) Revenue at July 1, 2004</b>	<b>Cash or Receipts Recognized</b>	<b>Disbursements/ Expenditures</b>	<b>Cash/Accrued or (Deferred) Revenue at June 30, 2005</b>
Railway acquisition	4,600,000	-	4,448,995	4,448,995	-
Catholic Charities	12,500	-	-	12,500	12,500
Women's Health Services Equipment	35,000	35,000	-	-	35,000
Women's Health Services	250,000	-	-	250,000	250,000
Home Bound Meals	100,000	-	-	100,000	100,000
Women's Crisis Services	65,000	65,000	-	-	65,000
Operation Buckle Down	15,524	4,425	14,878	12,803	2,350
Click It or Ticket	5,520	4,200	4,200	5,520	5,520
DWI	24,840	3,375	19,138	23,042	7,279
STEP Grant	15,265	-	9,526	15,265	5,739
Library General Obligation Bonds	270,122	84,975	167,174	115,569	33,370
Law Enforcement Protection	114,600	-	114,600	114,600	-
Regional Water System Project	5,000,000	264,723	264,723	-	-
Genoveva Chavez Center	115,000	-	-	24,428	24,428
La Familia	694,900	-	-	81,061	81,061
Santa Fe Farmers Market	121,000	41,000	41,000	-	-
<b>TOTAL Dept. of Finance and Administration</b>	<b>\$ 18,120,297</b>	<b>\$ 1,021,926</b>	<b>\$ 9,952,099</b>	<b>\$ 10,166,182</b>	<b>\$ 1,236,009</b>
<b>NM FINANCE AUTHORITY</b>					
Buckman Direct Diversion	\$ 2,000,000	\$ -	\$ -	\$ 220,782	\$ 220,782
Santa Fe Railyard	100,000	58,144	-	-	-
<b>TOTAL NM Mortgage Finance Authority</b>	<b>\$ 2,100,000</b>	<b>\$ 58,144</b>	<b>\$ -</b>	<b>\$ 220,782</b>	<b>\$ 220,782</b>
<b>NM ARTS COMMISSION</b>					
NEA-Arts in School	\$ 32,000	\$ -	\$ -	\$ 40,000	\$ 40,000
NM Arts Grant	11,698	1,997	1,997	8,648	8,648
NEA-Culteral District in Santa Fe	10,000	10,000	10,000	-	-
<b>TOTAL NM Arts Commission</b>	<b>\$ 53,698</b>	<b>\$ 11,997</b>	<b>\$ 11,997</b>	<b>\$ 48,648</b>	<b>\$ 48,648</b>
<b>MUSEUM FOUNDATION</b>					
Russian Summer in Santa Fe	\$ 16,000	\$ 16,000	\$ 16,000	\$ -	\$ -
<b>TOTAL Museum Foundation</b>	<b>\$ 16,000</b>	<b>\$ 16,000</b>	<b>\$ 16,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>GRAND TOTAL</b>	<b>\$ 30,542,468</b>	<b>\$ 4,187,186</b>	<b>\$ 14,944,777</b>	<b>\$ 13,993,912</b>	<b>\$ 3,178,176</b>

## **Single Audit Section**

**CITY OF SANTA FE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FISCAL YEAR ENDED**  
**June 30, 2005**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2004	Cash Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2005	
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Department of Housing and Urban Development Direct Programs:								
Community Develop Block Grant	14.218	B00MC350003	\$ 1,094,455	\$ 20,100	750,191	938,478	\$ 208,387	
Fair Housing Initiative FY 03-04	14.409	FH400603033	79,840	31,464	78,336	71,559	24,687	
Shelter Plus	14.238	NM02C301010	170,928	18,056	126,312	131,833	23,577	
Shelter Plus	14.238	NM02C301011	99,960	15,184	127,225	112,041	-	
Shelter Plus - La Luz	14.238	NM02X001001	68,544	4,856	66,772	80,616	18,700	
Railyard-Dev Infrastructure	14.142	B01SPNM0403	449,230	-	-	-	-	
Railyard-Dev Farmers Mkt	14.142	B01SPNM0403	249,230	18,390	-	105,475	123,865	
			2,212,187	108,050	1,148,836	1,440,002	399,216	
Public Housing Subsidy	14.850		767,267	-	767,267	767,267	-	
Resident Opp. & Support Serv	14.870		38,885	10,786	13,801	3,015	-	
Comprehensive Grant Program	14.872		2,042,999	23,045	1,056,561	1,204,415	170,899	
Drug Elimination	14.854		113,264	-	74,895	74,895	-	
Section 8 Housing	14.871		11,622,934	61,858	4,354,338	4,141,834	(150,646)	
			14,585,349	95,689	6,266,862	6,191,426	20,253	
Passed-through N.M. Housing Division:								
Homeward Bound Apartments	14.239	NM16Q991003	\$ 450,000	40,000	40,000	-	-	
			450,000	40,000	40,000	-	-	
Department of Housing and Urban Development				\$ 17,247,536	\$ 243,739	\$ 7,455,698	\$ 7,631,428	\$ 419,469
DEPARTMENT OF TRANSPORTATION								
Department of Transportation Direct Programs:								
Section 3037 (JARC)	20.516	NM37X006	\$ 315,000	\$ 76,911	276,595	\$ 244,473	\$ 44,789	
Section 3037 (JARC)	20.516	NM37X009	630,000	-	-	46,219	46,219	
Section 5307								
Operating	20.507	NM90X069	805,979	-	202,839	202,839	-	
Section 5309	20.500	NM030026	3,942,820	74,396	94,667	215,721	195,450	
Section 5309	20.500	NM03X022	977,186	-	39,453	39,453	-	
Section 5309	20.500	NM03X048	381,370	-	65,786	75,422	9,636	
Section 5309	20.500	NM030034	4,429,201	-	4,429,201	4,429,201	-	
Section 5309	20.500	NM030035	2,999,029	17,060	217,524	255,302	54,838	
Section 330	20.500	NM700001	993,500	-	993,500	993,500	-	
			15,474,085	168,367	6,319,565	6,502,130	350,932	
Passed-through N.M. Highway and Transportation Department:								
Section 112	20.205	D01849/99	84,251	107,079	63,081	156,722	200,720	
Section 8	20.505	NM80X007(4)	22,524	20,866	35,613	31,910	17,163	
Ridefinders	20.507	TPO-7749(9)	40,000	17,069	31,030	33,470	19,509	
Historic Pres	15.904	35-03-18231-14	18,000	1,495	18,010	50,059	33,544	
Cerrillos Road Improvement		NH-TPE-001-4(19)49	8,316,240	-	-	34,567	34,567	
Casa Solana Traffic Calming	20.219	TCSP001	200,000	9,072	-	-	9,072	
Title 1 Scenic Byways	20.205	D09730	-	4,980	4,980	-	-	
			8,681,015	160,561	152,714	306,728	314,575	
Federal Aviation Administration:								
Airport Improvement Grant #14	20.106	AIP 3-35-0037-14-1999	459,122	-	15,605	15,605	-	
Airport Improvement Grant #17	20.106	AIP 3-35-0037-17-2003	2,700,000	-	19,027	19,027	-	
Airport Improvement Grant #18	20.106	AIP 3-35-0037-18-2002	1,818,800	-	-	150,334	150,334	
Airport Improvement Grant #20	20.106	AIP 3-35-0037-20-2002	604,731	-	6,166	6,166	-	
Airport Improvement Grant #21	20.106	AIP 3-35-0037-21-2004	1,000,000	-	53,545	53,545	-	
Santa Fe Muni Airport-TSA	97.008	HSTS0104ALEF075	71,736	10,435	23,186	18,527	5,776	
			6,654,389	10,435	117,529	263,204	156,110	
Department of Transportation			\$ 30,809,489	\$ 339,363	\$ 6,589,808	\$ 7,072,062	\$ 821,617	

(continued)

**CITY OF SANTA FE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FISCAL YEAR ENDED**  
**June 30, 2005**

<b>Federal Grantor/ Pass-Through Grantor/ Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Federal Program or Award Amount</b>	<b>Cash/Accrued or (Deferred) Revenue at July 1, 2004</b>	<b>Cash Receipts Recognized</b>	<b>Disbursements/ Expenditures</b>	<b>Cash/Accrued or (Deferred) Revenue at June 30, 2005</b>
<b>DEPARTMENT OF THE INTERIOR</b>							
Passed-through N.M. Bureau of Reclamation:							
Sangre de Cristo Water Div.	15.BBP	99-FC-40-1030	\$ 2,690,000	\$ 205,029	\$ 348,000	\$ 142,971	\$ -
Sangre de Cristo Water Div.	15.504	02-FC-40-2012	4,400,000	205,044	205,044	505,358	505,358
<b>Department of the Interior</b>			<b>\$ 7,090,000</b>	<b>\$ 410,073</b>	<b>\$ 553,044</b>	<b>\$ 648,329</b>	<b>\$ 505,358</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
Passed-through NM State Agency on Aging/NCNMEDD:							
Title III-B	93.044	2005-005	\$ 108,669	\$ 2,438	\$ 103,471	\$ 108,669	\$ 7,636
Title III-C-1	93.045	2005-005	104,468	23,574	102,484	104,468	25,558
Title III-C-2	93.045	2005-005	40,285	5,910	39,730	40,285	6,465
Title III-E	10.570	2005-005	76,340	22,318	80,403	76,340	18,255
Cash in Lieu	93.052	2005-005	158,739	16,114	159,127	158,739	15,726
<b>Department of Health and Human Services/NCNMEDD</b>			<b>\$ 488,501</b>	<b>\$ 70,354</b>	<b>\$ 485,215</b>	<b>\$ 488,501</b>	<b>\$ 73,640</b>
Passed-through NM State Agency on Aging:							
Foster Grandparent Program	72.001	94.011	\$ 25,746	\$ 9,455	\$ 20,431	\$ 25,063	\$ 14,087
Retired Senior Volunteer Program	72.002	94.002	34,945	14,057	29,008	34,643	19,692
<b>Department of Health and Human Services</b>			<b>\$ 60,691</b>	<b>\$ 23,512</b>	<b>\$ 49,439</b>	<b>\$ 59,706</b>	<b>\$ 33,779</b>
<b>US DEPARTMENT OF JUSTICE</b>							
Bullet Proof Vest Program	16.607	1121-0235	\$ 18,402	\$ -	\$ 18,402	\$ 18,402	\$ -
Local Law Enforcement Grant	16.592	2004-LB-BX-0057	29,770	-	29,770	29,770	-
Juvenile Justice Program	16.540	056907000-7093	12,600	-	8,056	13,456	5,400
Juvenile Justice - JABG	16.523	046903000-3061	90,000	43,250	73,009	49,928	20,169
Juvenile Justice - JABG	16.523	056907000-7062	180,000	95,296	202,180	191,180	84,296
<b>US Department of Justice</b>			<b>\$ 330,772</b>	<b>\$ 138,546</b>	<b>331,417</b>	<b>\$ 302,736</b>	<b>\$ 109,865</b>
<b>DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</b>							
Environmental River Restoration	66.606	X-986906-01-0	\$ 748,000	\$ 101,367	\$ 101,367	\$ 161,593	\$ 161,593
<b>Department of Environmental Protection Agency</b>			<b>\$ 748,000</b>	<b>\$ 101,367</b>	<b>\$ 101,367</b>	<b>\$ 161,593</b>	<b>\$ 161,593</b>
<b>TOTAL FEDERAL FINANCIAL AWARDS</b>			<b>\$ 56,774,989</b>	<b>\$ 1,326,954</b>	<b>\$ 15,565,988</b>	<b>\$ 16,364,356</b>	<b>\$ 2,125,322</b>



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CITY OF SANTA FE, NEW MEXICO  
NOTES TO SUPPLEMENTAL SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2005

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**General**

The accompanying Supplemental Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Santa Fe.

**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.

<b><u>Relationship to the Comprehensive Annual Financial Report:</u></b>	<b><u>CFDA #</u></b>	<b><u>AMOUNT</u></b>
<b>U.S. Department of Housing and Urban Development</b>		
Special Revenue Funds		
Community Development Grants		
Community Development Block Grants	14.218	\$ 938,478
Component Unit		
Enterprise Fund - Housing Authority		
Public Housing Subsidy	14.850	767,267
Resident Opp and Support Services	14.870	3,015
Comprehensive Grant Program	14.872	1,204,415
Drug Elimination	14.854	74,895
Section 8	14.871	4,141,834
Special Revenue Funds		
Community Development Grants		
Fair Housing Initiative	14.409	71,559
Shelter Plus	14.238	131,833
Shelter Plus	14.238	112,041
Shelter Plus - La Luz	14.238	80,616
Railyard-Dev Farmers Mkt	14.142	105,475
<b>Department of Transportation</b>		
Enterprise Fund - Transit Bus System		
Welfare to Work (JARC)	20.516	290,692
Section 5307	20.507	202,839
Section 5309	20.500	5,015,099
Section 330	20.500	993,500
Special Revenue Fund		
Transportation Grants		
Section 112	20.205	156,722
Section 8	20.505	31,910
Ridefinders	20.507	33,470
Transportation Grants (continued)		
Historic Preservation	15.904	50,059
Cerrillos Road Improvement		34,567
Capital Project Fund		
Airport Improvement Grants	20.106	244,677
Santa Fe Muni Airport	97.008	18,527
		(continued)

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CITY OF SANTA FE, NEW MEXICO  
NOTES TO SUPPLEMENTAL SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2005

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**Department of Interior**

Enterprise Fund - Water Division

Sangre de Cristo Water Division	15.504	142,971
Sangre de Cristo Water Division	15.504	505,358

**Department of Health and Human Services**

Special Revenue Funds

Senior Citizens Grants

Title III B	93.044	108,669
Title III C1-2	93.045	144,753
Title III E	10.570	76,340
Cash in Lieu	93.052	158,739
Foster Grandparent Program	72.001	25,063
Retired Senior Volunteer Program	72.002	34,643

**U.S. Department of Justice**

Special Revenue Grants

Law Enforcement Grants

Cops in Schools	16.710	18,402
Local Law Enforcement Grant	16.592	29,770
Juvenile Justice Program	16.540	13,456
Juvenile Justice - JABG	16.523	49,928
Juvenile Justice - JABG	16.523	191,180

**Department of Environmental Protection Agency**

Special Revenue Grants

Environmental River Restoration	66.606	161,593
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TOTAL		<u>\$ 16,364,356</u>
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# NEFF + RICCI LLP

CERTIFIED PUBLIC ACCOUNTANTS  
6100 UPTOWN BLVD NE SUITE 400  
ALBUQUERQUE, NM 87110

## **Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

City of Santa Fe  
Santa Fe, New Mexico  
Honorable Mayor and City Council  
and  
Mr. Domingo Martinez, CGFM  
New Mexico State Auditor

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the respective budgetary comparison for the general fund of the City of Santa Fe, New Mexico (City) as of and for the year ended June 30, 2005, and have issued our report dated December 1, 2005. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, and internal service funds presented as supplementary information in the accompanying combining and individual fund and other financial statements, and the respective changes in the financial position and cash flows, where applicable, as of and for the year ended June 30, 2005, as listed in the table of contents. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and responses as items 05-1 through 05-8, 03-04 HA, 05-01 HA, and 05-02 HA.

City of Santa Fe  
Santa Fe, New Mexico  
Honorable Mayor and City Council  
and  
Mr. Domingo Martinez, CGFM  
New Mexico State Auditor

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 05-2, 05-8, 03-04 HA, and 05-02 HA.

This report is intended solely for the information and use of the City council, City management, the Office of the State Auditor, the cognizant audit agency, other Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

*Neff + Ricci LLP*

Albuquerque, New Mexico  
December 1, 2005

# NEFF + RICCI LLP

CERTIFIED PUBLIC ACCOUNTANTS  
6100 UPTOWN BLVD NE SUITE 400  
ALBUQUERQUE, NM 87110

## **Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133**

City of Santa Fe  
Santa Fe, New Mexico  
Honorable Mayor and City Council  
and  
Mr. Domingo Martinez, CGFM  
New Mexico State Auditor

### Compliance

We have audited the compliance of the City of Santa Fe, New Mexico (City) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit

City of Santa Fe  
Santa Fe, New Mexico  
Honorable Mayor and City Council  
and  
Mr. Domingo Martinez, CGFM  
New Mexico State Auditor

provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that 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 04-03 HA, 05-03 HA, and 05-04 HA.

#### Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the City council, City management, the Office of the State Auditor, the cognizant audit agency, other Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

*Neff + Ricci LLP*

Albuquerque, New Mexico  
December 1, 2005

**CITY OF SANTA FE  
SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS  
Year Ended June 30, 2005**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of the City.
2. Eleven reportable conditions were disclosed during the audit of the financial statements and are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The conditions reported are not considered to be material weaknesses.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. Three reportable conditions were disclosed during the audit of the major federal award programs as reported in the Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the City expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for the City are reported in Part C of this Schedule.
7. The programs tested as major programs included:

US Department of Housing and Urban Development

Section 8 Housing	CFDA #14.871
Community Development Block Grant	CFDA #14.218
Railyard Development – Santa Fe	
Farmers Market	CFDA # 14.142

US Department of Interior

Sangre De Cristo Water Grant	CFDA # 15.504
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US Department of Transportation

Section 5309	CFDA # 20.500
Section 330	CFDA # 20.500
Section 112	CFDA # 20.205

8. The threshold for distinguishing Types A and B programs was \$491,482.
9. The City was determined to be a low-risk auditee.

**CITY OF SANTA FE  
SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**05-1 Terminated Employees**

**CONDITION**

During our fieldwork over the payroll transaction cycle, we noted that terminated employees are not immediately recorded as “inactive” in the human resources system upon their termination. Since the payroll office will process payroll for all “active” employees, there is a time lag created when the human resources department does not denote this status in a timely fashion.

**CRITERIA**

Terminated employees are to be classified as “inactive” by the human resources department immediately upon their termination in order to avoid paying terminated employees for future payroll periods.

**EFFECT**

There is an increased potential to pay “inactive” employees for future payroll periods.

**CAUSE**

The processing of necessary forms and classification in the human resources system to document an employee termination is not communicated to the payroll office in a timely fashion.

**RECOMMENDATION**

We recommend that when an employee is terminated, the employee is immediately classified as “inactive” in the human resources system; which will then be displayed as “inactive” to the payroll office when they process payroll data.

**MANAGEMENT RESPONSE**

We will review the current procedures and the software to determine the quickest and most effective method to inactive a terminated employee.



## **B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

### **05-2 Timeliness of Deposits – Municipal Court**

#### **CONDITION**

During our inquiry and observation over the cash receipt transaction cycle for the Municipal Court, we noted a significant amount of deposits made outside the 24 hour time limit during the fiscal year ended June 30, 2005.

#### **CRITERIA**

According to State statute 6-10-2, NMSA 1978, all money is required to be deposited within 24 hours of receipt.

#### **EFFECT**

The Court is noncompliant with the Public Monies Act, Chapter 6, Article 10, NMSA 1978.

#### **CAUSE**

Roles and responsibilities regarding financial aspects of the Court were not effectively communicated by management during the fiscal year.

#### **RECOMMENDATION**

We recommend that roles and responsibilities of Court management are communicated by the City and that the Court adhere to the State statute requirement in regards to the deposit of public monies.

#### **MANAGEMENT RESPONSE**

All transactions at the cashiers window are deposited daily. In addition, the money received in the mail is entered and receipted by one designated employee, which is done on a daily basis.

## **B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

### **05-3 Physical Security of Cash Register – Municipal Court**

#### **CONDITION**

Currently, the Municipal Court uses a cash register that is not connected to its computer system. A separate receipt tape is not generated to document the amount of cash received for the day, and therefore a total per the cash register vs. the total received in the system is not reconciled. This register is manually opened, and is not secured from easy access by other individuals.

#### **CRITERIA**

In order to strengthen the safeguarding of cash, procedures should be in place to physically restrict cash to limited individuals, and those individuals should only access the cash drawer in conjunction with a transaction. Additionally, all incoming cash should be accounted and reconciled with the amount of cash receipted into the court computer system.

#### **EFFECT**

There is an increased likelihood of theft of cash.

#### **CAUSE**

The cash register is not connected to the computer system, which if performed would limit access to cash by allowing the register to open only when a transaction is processed.

#### **RECOMMENDATION**

We recommend that the Municipal Court develop procedures that would limit the access to cash to authorized individuals. Additionally, we recommend the Municipal Court to use a cash register system whereby the cash per the system is reconciled with the cash in the register drawer.

#### **MANAGEMENT RESPONSE**

Procedures for the physical security of the cash register has already been implemented. An upgraded computerized cash register system is being planned and will become effective within the next three months

## **B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

### **05-4 Payroll Timesheet Approval – Fire Department**

#### **CONDITION**

During our payroll testing for the fire department, we noted that timesheets are not approved by a field supervisor. Instead, they contain two signatures of approval, of which both signatures are from the Fire Department office employees.

#### **CRITERIA**

In order to strengthen controls over the accuracy of time sheet data, an individual that is abreast of the employee's activity during the pay period should perform the review and approval process, at a minimum.

#### **EFFECT**

There is a potential for unauthorized hours to be paid to an employee.

#### **CAUSE**

Field supervisors are not required to document their approval on the employee time sheet.

#### **RECOMMENDATION**

We recommend that one of the two documented review and approval signatures on time sheets be from a field supervisor.

#### **MANAGEMENT RESPONSE**

The office manager will prepare timesheets and sign and Chief Officer will review and sign as second approved signature. Field supervisors will sign daily roster authorizing worked schedule for employees.

## **B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

### **05-5 Payroll Data Reconciliation – Fire Department**

#### **CONDITION**

During our payroll testing for the fire department, we noted there are three reports used to accumulate time sheet data: (1) roster listing, (2) leave and overtime calendar, and (3) time sheets. Currently, the roster listing data and leave and overtime data is combined in order to enter it onto the time sheets for each employee. However, we noted discrepancies in our testwork between the totals recorded on the time sheets vs. the totals recorded on the combination of the roster listing and leave and overtime data. These discrepancies mainly consisted of the time sheet data displaying a larger amount of hours than the combination of the two supporting schedules.

#### **CRITERIA**

Strong internal controls should be present when data to be processed into the accounting system is accurately supported by subsidiary ledgers.

#### **EFFECT**

There is a decrease in the integrity of data to be processed into the accounting system.

#### **CAUSE**

Formal reconciliations are not performed to document the process of combining the roster listing data and leave and overtime data into the time sheets.

#### **RECOMMENDATION**

We recommend that formal reconciliations be performed to accurately support the amounts recorded in the time sheets, which are subsequently sent to payroll for processing.

#### **MANAGEMENT RESPONSE**

Field Supervisor will sign daily roster authorizing worked schedule for employees. When entering daily work schedule on the timesheets, reconciliation will be processed by office manager from daily rosters that were signed by field supervisors.

## **B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

### **05-6 Investment Policies and Procedures**

#### **CONDITION**

During our audit fieldwork for investments, we noted the following instances of noncompliance with the Investment Policy:

1. The current Investment Policy states that the City will invest all moneys on the basis of competitive bids or offers. Additionally, when U.S. government securities are being purchased or sold, a minimum of three offers or bids will be solicited or received including at least one offer or bid from a primary dealer in U.S. government securities. The City does not obtain offers or bids from a primary dealer in U.S. government securities.
2. The current Investment Policy states that the City's internal auditor will periodically review the City's investment and investment transactions to assure compliance with policies and procedures; however we were informed that no internal audit review has been conducted in the past ten years.

#### **CRITERIA**

It is good accounting policy to update investment policies and procedures so that they properly reflect the current situation of the City. Additionally, policies and procedures should be adhered to in order to achieve the City's goals.

#### **EFFECT**

Noncompliance with policies and procedures increases the potential of unauthorized transactions occurring.

#### **CAUSE**

The cause for each individual item noted in the condition is addressed below:

1. The City does not have a relationship with a primary dealer in U.S. government securities. Further, it is management's conclusion that the use of such a dealer for additional offers or bids would not result in a better price being offered.
2. The internal auditor has not developed a plan to review City investments and investment transactions on a regular basis.

#### **RECOMMENDATION**

We recommend that the Investment Policy be updated to reflect current operations. We also recommend that the internal auditor perform a review of the City investments and investment transactions in order to test for compliance with adherence to policies, procedures, and investment strategies.

## **B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

### **05-6 Investment Policies and Procedures (Continued)**

#### **MANAGEMENT RESPONSE**

On November 29, 2005 the City Council approved an updated investment policy which reflects the current operations of the investment transactions. We will work with the internal auditor to schedule review of the City's investments on a more frequent basis.

## **B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

### **05-7 Policies and Procedures for the Allowance for Uncollectible Accounts**

#### **CONDITION**

During our audit fieldwork regarding the City's accounts receivable balances for enterprise funds, we noted the allowance for uncollectible accounts remaining the same as the previous fiscal year, although there was significant activity within the accounts receivable balances during the fiscal year.

#### **CRITERIA**

Generally Accepted Accounting Principles requires that adequate provisions are made to reduce receivables to their estimated net collectible amounts.

#### **EFFECT**

Uncollectible accounts are not identified as such, and the accounts receivable balance may potentially be overstated.

#### **CAUSE**

There are no formal policies and procedures in place to determine an estimate for the allowance for uncollectible accounts for enterprise accounts receivable line items.

#### **RECOMMENDATION**

We recommend that the City develop and implement policies and procedures in order to (1) estimate the allowance for uncollectible accounts for enterprise accounts receivable line items and (2) determine the amount of bad debt expense for each period.

#### **MANAGEMENT RESPONSE**

The city is current working on a bad debt policy which will help in determining the bad debt expense for each period and estimate the allowance for all uncollectible accounts.

## **B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

### **05-8 Due Date of Audit Report**

#### **CONDITION**

The June 30, 2005 audit report was not filed with the State Auditor by the applicable date noted in the contract.

#### **CRITERIA**

According to State Auditor Rule NMAC 2.2.2.9.A, the audited financial statements are due by December 1 following the fiscal year-end.

#### **EFFECT**

The City is not in compliance with State Auditor Rule NMAC 2.2.2.9.A for the fiscal year ended June 30, 2005.

#### **CAUSE**

Several accounts in the City's financial records required additional time to reconcile and make correcting journal entries.

#### **RECOMMENDATION**

We recommend the City evaluate whether there is adequate personnel to produce a timely CAFR and identify areas where additional training and procedures could be established.

#### **MANAGEMENT RESPONSE**

The City of Santa Fe is committed to providing accurate and timely financial information. We will work with our auditors to ensure that a more timely schedule is prepared and followed.



## **B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

### **03-04 HA      Insufficient Collateralization**

#### **CONDITION**

At June 30, 2005, the Housing Authority was under collateralized by \$10,548 on its demand deposit accounts held at Century Bank.

#### **CRITERIA**

Bank deposits are required to be collateralized at 50% per NMSA 6-10-17.

#### **CAUSE**

While FDIC insurance is generally adequate to cover the balance, the Housing Authority had unusually large deposits with the bank at year-end and pledged collateral was not obtained

#### **EFFECT**

If the Bank fails, the Housing Authority could incur a loss on uninsured and uncollateralized balances. This is also a violation of NMSA 6-10-17.

#### **RECOMMENDATION**

The Housing Authority should review collateral and bank balances on a regular basis to help ensure funds are adequately insured and collateralized.

#### **MANAGEMENT RESPONSE**

The Housing Authority will follow auditor recommendations.

## **B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)**

### **05-01 HA      Cash deposits and related liabilities**

#### **CONDITION**

As part of testing deposit liabilities, we noted that the related bank accounts were under funded. However, the Housing Authority did have excess funds available in its general accounts that could be used to fund the under funding of the liabilities.

#### **CRITERIA**

When the Housing Authority acts in a fiduciary capacity and accepts or maintains funds for individuals, the related cash should be segregated from general funds.

#### **CAUSE**

Even though tracked separately, actual cash is not transferred between the bank account it is originally deposited in and the bank account set up for the deposits held for others.

#### **EFFECT**

Cash balances available in the deposit bank account were not sufficient to cover all related liabilities.

#### **RECOMMENDATION**

The Housing Authority should transfer funds on a regular basis so that the cash balances and related liabilities match each other.

#### **MANAGEMENT RESPONSE**

The Housing Authority will implement a procedure to transfer all necessary cash balances within 15 days of the end of each month.

## **B. FINDINGS - FINANCIAL STATEMENTS AUDIT (CONTINUED)**

### 05-02 HA      Documentation for Travel

#### **CONDITION**

As part of testing disbursements, it was noted that supporting documentation related to 1 of 30 disbursements tested was not located. This item was related to employee travel.

#### **CRITERIA**

State statute 10-8-4, NMSA 1978 requires supporting documentation for all travel showing the dates of travel and return, if actual cost reimbursement or per diem was used and if the total amount reimbursed or advanced is calculated correctly.

#### **CAUSE**

Inadequate file management by the Housing Authority.

#### **EFFECT**

We were unable to determine if the Housing Authority is in compliance with travel and diem requirements.

#### **RECOMMENDATION**

The Housing Authority needs to maintain support for all transactions. Specific review procedures should be implemented to ensure disbursements are approved and not released unless support adequate supporting documentation is attached.

#### **MANAGEMENT RESPONSE**

The Housing Authority misplaced this document but will continue to properly document all travel documents.

## **SANTA FE CIVIC HOUSING AUTHORITY**

### **C. FINDING - MAJOR FEDERAL AWARD PROGRAM AUDIT**

04-03 HA Eligibility  
Housing and Urban Development  
CFDA# 14.871, Section 8 Housing

Questioned Costs  
None

#### **CONDITION**

During our eligibility test work of the Section 8 program, it was noted that, out of 16 total participants tested, one participant's third party documentation of income was missing and another participant's documentation of medical expense deductions was missing.

#### **CRITERIA**

The Section 8 program requires the Housing Authority to obtain third party documentation of income as well as documentation of any medical expenses claimed as deductions from income.

#### **CAUSE**

In both cases, two employees, who are no longer employed at the Housing Authority, did not require the participant to provide this documentation before approving their application.

#### **EFFECT**

The Housing Authority is not in compliance with the eligibility standards of the Section 8 program. This also provides the opportunity for participants to defraud the Housing Authority by understating their income or declaring false medical deductions and thereby receiving a larger Housing Assistance Payment than they should have.

#### **RECOMMENDATION**

The Housing Authority should implement quality control procedures to ensure that all applicants provide the requisite documentation before their applications are approved. In addition, the Housing Authority should develop policies and procedures that specifically address remedies for document omissions when they are detected.

#### **MANAGEMENT RESPONSE**

The Housing Authority has implemented a quality control procedure to provide assurance that documentation is properly accounted for.

**C. FINDINGS – MAJOR FEDERAL AWARD PROGRAM AUDIT  
(CONTINUED)**

05-03 HA Disbursements from the Family Self

Questioned Costs

Sufficiency Accounts

None

Housing and Urban Development

CFDA# 14.871, Section 8 Housing

**CONDITION**

During fiscal year 2005, it was determined that an employee of the Housing Authority convinced a participant of the program to withdrawal Family Self Sufficiency (FSS) funds. It was later determined that two employees allowed the transactions to occur in violation of Housing Authority procurement and FSS program standards. It is further alleged that processing of this transaction was contingent upon the individual paying a fee to an employee for processing such transaction. The total amount received by each employee has not been determined and is being investigated by the Santa Fe Police Department. The total amount withdrawn from the FSS funds was \$3,800.

**CRITERIA**

FSS funds may only be withdrawn for reasons specified by the program, such as emergency causes.

**CAUSE**

Collusion on the part of the two employees.

**EFFECT**

FSS funds were withdrawn that were not in accordance with the FSS program guidelines.

**RECOMMENDATION**

Since the bank reconciliation process detected the withdrawals and the Housing Authority detected the above, we suggest the Housing Authority continue to scrutinize FSS withdrawals. We also recommend that the Director continue to approve all FSS withdrawals.

**MANAGEMENT RESPONSE**

The Housing Authority will follow auditor recommendations.

## C. FINDINGS – MAJOR FEDERAL AWARD PROGRAM AUDIT (CONTINUED)

05-04 HA Housing Assistance Payments and Rent

Questioned Costs

Reasonableness

None

Housing and Urban Development

CFDA# 14.871, Section 8 Housing

### CONDITION

Based on results of procedures completed by management and verified by us, it was determined that a participant was renting from a relative of an employee and the following issues were noted:

- The family unit size was not in accordance with occupancy standards, a 3 bedroom is too large for 3 family members in this case, this causes rent reasonableness to be calculated at the wrong rate.
- Insufficient documentation as to the reasoning for the rent increases and more than one rent increase occurred during the year.
- Rental amounts were in excess of the local area fair rent or rent reasonableness.

### CRITERIA

For a landlord/tenant to receive Housing Assistance Payments (HAP), the following must be true:

- The Housing Authority has set a standard of 2 individuals per bedroom. For 3 individuals, there should be 2 bedrooms.
- Sufficient documentation must be maintained whenever rental rates are increased and the Housing Authority only allow rent increases on an annual basis.
- HUD only allows HAP at reasonable rents as determined by HUD and similar rentals.

### CAUSE

Undetermined, however, the owner of the rental is a relative of two former employees.

### EFFECT

The Housing Authority is not in compliance with the Section 8 requirements noted above.

### RECOMMENDATION

The Housing Authority needs to begin putting additional scrutiny on rent increases to help eliminate increases to occur without support and rental increases more than annually. In addition, the Housing Authority should develop specific review procedures that verifies that rents are not in excess or reasonable rent standards.

**C. FINDINGS – MAJOR FEDERAL AWARD PROGRAM AUDIT  
(CONTINUED)**

05-04 HA Housing Assistance Payments and Rent

Questioned Costs

Reasonableness (Continued)

None

Housing and Urban Development

CFDA# 14.871, Section 8 Housing

**MANAGEMENT RESPONSE**

The Authority requires all related party transactions to be reported to management and has implemented review procedures on rental increases.

**CITY OF SANTA FE  
SCHEDULE OF FINDINGS AND  
QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2005**

**Prior Year Finding Description**

**Status**

City of Santa Fe

01-10	Computer Systems	Resolved
02-05	Bond Covenants	Resolved
03-01	Backup and Recovery Standards	Resolved
03-03	IT Steering Committee	Resolved
04-01	Davis Bacon Compliance	Resolved

Santa Fe Civic Housing Authority

03-04	HA Insufficient Collateralization*	Repeated and Revised
03-06	Grant Reimbursements	Resolved
04-02	Cash Receipts	Resolved
04-03	Petty Cash	Resolved
04-03	HA Eligibility**	Repeated and Revised
04-04	Payroll	Resolved
04-05	Open Meetings Act	Resolved

\* Numbered as 03-7 in the June 30, 2004 report.

\*\* Numbered as 04-5 in the June 30, 2004 report.



• **CITY OF SANTA FE  
EXIT CONFERENCE  
Year Ended June 30, 2005**

**CITY OF SANTA FE**

An exit conference was held on December 9, 2005. In attendance were:

For the City of Santa Fe:

Mike Lujan	City Manager
Kathryn Raveling	Director, Finance & Budget Department
Teresita Garcia	Financial Management Division Director
Joelle Mevi	Cash Investment Officer
Angelica Salazar	Chief Financial Analyst

For Neff + Ricci LLP (auditors):

Wayne Brown	Managing Partner
Jim Thompson	Partner
Brian Barbour	Senior Audit Associate

**SANTA FE CIVIC HOUSING AUTHORITY**

An exit conference was held on November 28, 2005. In attendance were:

For the Housing Authority:

Jana Lujan	Chairperson
Esther Reyes	Resident Commissioner
Ed Romero	Secretary
Rudy Gallegos	Deputy Director
Anna Chavez	Administrative Supervisor
Michelle Dean	Administrative Support

For Neff + Ricci LLP (Auditors):

Herman Chavez	Manager
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