



City of Santa Fe, New Mexico

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

Prepared by:
Finance Department
Financial Management Division

Mayor
David Coss

City Manager
Galen Buller

Director, Finance Department
Kathryn L. Raveling

CITY OF SANTA FE, NEW MEXICO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2007

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City of Santa Fe

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Introductory Section



City of Santa Fe, New Mexico

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

David Coss, *Mayor*

Councilors:

Miguel M. Chavez, Mayor Pro Tem, Dist. 3

Patti J. Bushee, Dist. 1

Chris Calvert, Dist. 1

Karen Heldmeyer, Dist. 2

Rebecca Wurzbarger, Dist. 2

Carmichael A. Dominguez, Dist. 3

Matthew E. Ortiz, Dist. 4

Ronald S. Trujillo, Dist. 4

April 4, 2008

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, 2007.

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 Moss-Adams, 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, 2007 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a

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

reasonable basis for rendering an unqualified opinion that the City of Santa Fe's financial statements for the fiscal year ended June 30, 2007, 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 69,142 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 division (e.g., water). The city manager may approve transfers of appropriations within a department up to \$30,000. Transfers over \$30,000 or between funds and budget increases require city council approval. Budget-to-actual comparisons are provided in this report at the function level for the general fund, at the fund level for the special revenue and capital improvement funds and at the division level for the proprietary funds for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 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,

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

retail shops, galleries, museums, and restaurants. Government remains the area's largest employer with more than 15,428 people or about one-third of the work force. Other major businesses and largest employers located in the City or in close proximity include a hospital and other medical services, the Santa Fe Opera, and The College of 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 77,886. Unemployment remains lower than state 3.8% and national levels at 4.6%. 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. The second quarter of 2007 reflected a slight decrease in the number of home sales from the same period last year. The median home price in the City during the second quarter of 2007 was \$371,000. The City has a minimum wage ordinance which covers all businesses and requires a minimum wage rate of \$9.50 increasing annually with the consumer price index starting in 2009.

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 \$179 million in the next five years, which will include county and private participation, and hopefully substantial state and federal funding.

Construction is underway for a new convention center and connected parking garage. The current facility was an old high school gymnasium which had 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 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 completed with some discovery of artifacts which was anticipated. The first phase of the project has been financed in the amount of \$42.22 million and construction is underway and remains on schedule and within budget. A second phase of financing will be done for approximately \$8.5 million. Both phases of financing are anticipated to be funded through Lodger's Tax. Completion is anticipated in July 2008.

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

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 investment maturities, range from 6 months to 5 years, with an average maturity of 7.7 months. The average yield on investments was 4.73%.

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 298 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 1, 2006, the program was transferred to the State-sponsored New Mexico Retiree Health Care Authority.

Additional information of the City's pension arrangements and postemployment benefits can be found in Notes V. E. and F. on pages 66-67.

Awards and acknowledgements

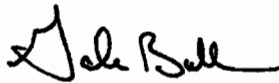
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Santa Fe for its Comprehensive Annual Financial Report (CAFR) for the fiscal years ended June 30, 1988-95, 1997-99, and 2001-06.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

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

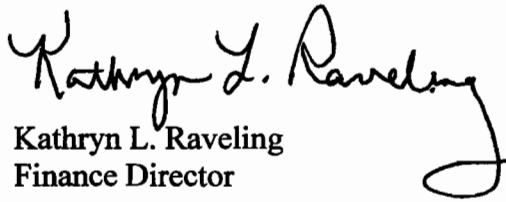
In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 30, 2006 (as well as the previous years since FY 86/87). In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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

Respectfully submitted,



Galen Buller
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, 2006

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.



A handwritten signature in black ink, reading "Oliver S. Cox".

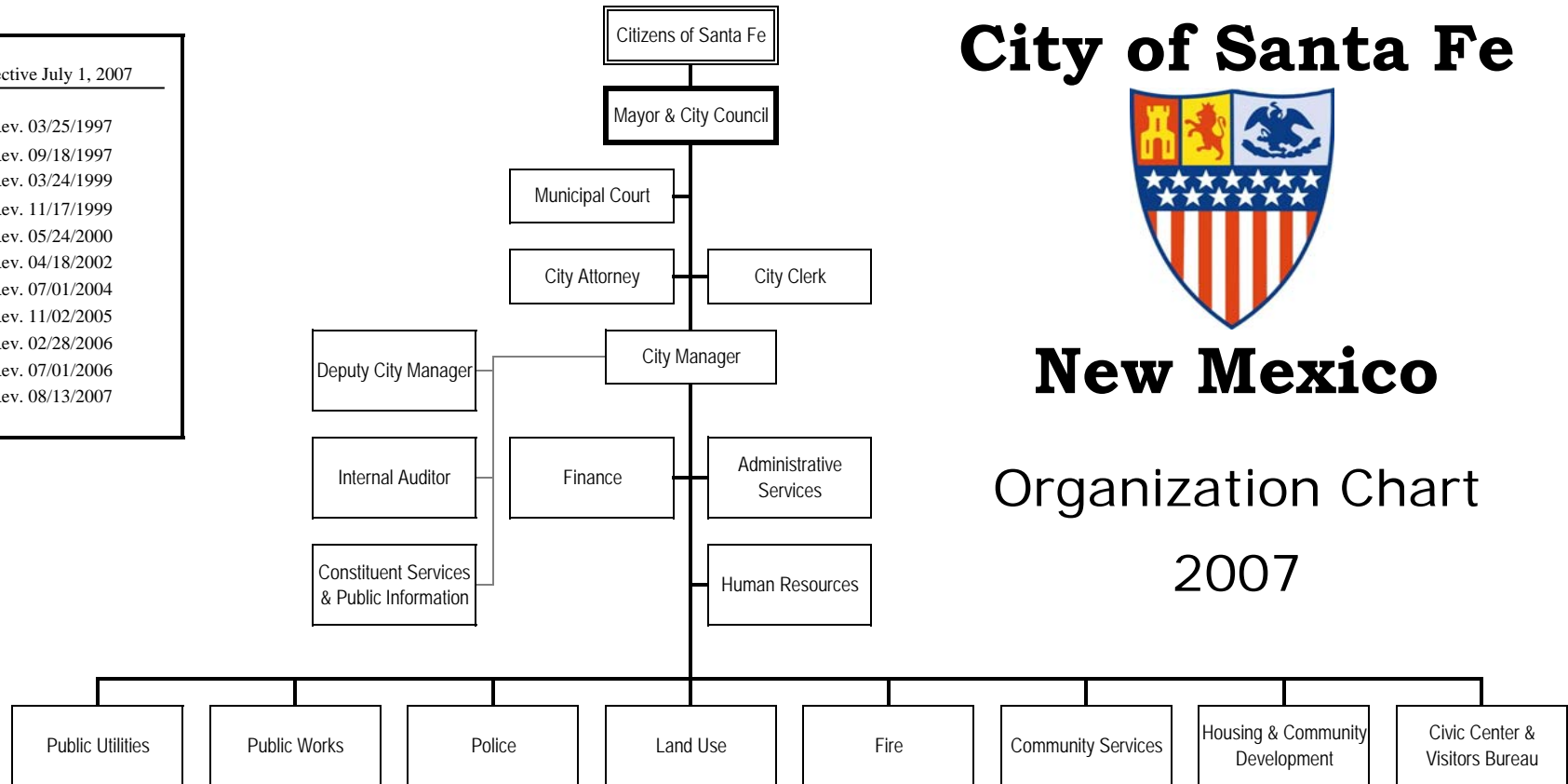
President

A handwritten signature in black ink, reading "Jeffrey R. Emer".

Executive Director

Effective July 1, 2007

Rev. 03/25/1997
Rev. 09/18/1997
Rev. 03/24/1999
Rev. 11/17/1999
Rev. 05/24/2000
Rev. 04/18/2002
Rev. 07/01/2004
Rev. 11/02/2005
Rev. 02/28/2006
Rev. 07/01/2006
Rev. 08/13/2007



City of Santa Fe



New Mexico

Organization Chart 2007

Approved: _____

Galen Buller, City Manager

**CITY OF SANTA FE, NEW MEXICO
PRINCIPAL OFFICIALS
JUNE 30, 2006**

MAYOR

David Coss

CITY COUNCIL

Miguel M. Chavez, Mayor Pro Tem.....	District 3
Patti J. Bushee.....	District 1
Chris Calvert.....	District 1
Rebecca Wurzbarger.....	District 2
Karen Heldmeyer.....	District 2
Carmichael A. Dominguez.....	District 3
Ronald S. Trujillo.....	District 4
Matthew Ortiz.....	District 4

CITY MANAGER

Galen Buller

FINANCE DEPARTMENT

Kathryn L. Raveling
Finance Department Director

Teresita Garcia
Assistant Finance Director

Helene Hausman
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

Teresita Garcia, Assistant Finance Director

Helene Hausman, Cash/Investment Officer

Angelica Salazar, Senior Financial Analyst

Erica Duran, Accounting Supervisor

Chad Eaton, Financial Analyst

Tony S. Martinez, Financial Analyst

Angela J. Sandoval, Financial Analyst

Clarence Romero, Financial Analyst

WEB PUBLICATION

Vincent S. Montoya, Database Budget Analyst

GRAPHICS SECTION

Valerie A. Chelonis, Graphic Artist

COVER PHOTO

Valerie A. Chelonis, Graphic Artist

Financial Section

Independent Auditors' Report

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

We have audited the accompanying 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, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City of Santa Fe, New Mexico's nonmajor governmental, nonmajor enterprise, and internal service funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements and the Santa Fe Civic Housing Authority as of and for the year ended June 30, 2007, 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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the 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, 2007, and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparisons presented as supplementary information for the year then 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. Hector Balderas
New Mexico State Auditor

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2008, 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 on pages 3 through 16 is not a required part of the basic financial statements but are 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, and the combining and individual fund financial statements and budgetary comparisons presented as supplementary information. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The additional schedules listed as "other supplementary information", "other supplementary financial data", and the capital assets schedules (pages 159 through 162) in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

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

Moss Adams LLP

Albuquerque, New Mexico
April 4, 2008

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, 2007. 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 \$490,441,690 (*net assets*). Of this amount, \$190,523,482 (*unrestricted net assets*) may be used to meet the City's obligations to citizens and creditors.
- The City's total net assets increased by \$42,559,224. This was primarily in cash in business-type activities in anticipation of upcoming projects including a major water diversion project.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$114,911,435 a decrease of \$62,296,365 in comparison with the prior year. Approximately 80 percent of this total amount, \$92,216,555 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 \$26,378,133 or 40 percent of total general fund expenditures.
- The City's total long-term debt decreased by \$345,000 during the current fiscal year.

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 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 Special Revenue Fund, ½% GRT CIP fund, and the debt service fund, all of which are considered to be major funds. Data from the other 48 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 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, Workers' Compensation, and Union Sick Leave Bank. 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, Railyard Property, and the Sweeney Convention Center which are considered to be major funds of the City. The Genoveva Chavez Community Center was previously reported as 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 68 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 \$490,441,690 at the close of the most recent fiscal year.

A portion of the City's net assets (60 percent) 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 06/07						
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 145,203,168	\$ 204,473,096	\$ 144,781,660	\$ 87,826,993	\$ 289,984,828	\$ 292,300,089
Capital assets	276,262,293	266,163,456	238,603,284	192,934,485	514,865,577	459,097,941
Total assets	421,465,461	470,636,552	383,384,944	280,761,478	804,850,405	751,398,030
Long-term liab. outstanding	192,790,424	191,777,790	84,196,357	80,483,877	276,986,781	272,261,667
Other liabilities	20,722,323	19,088,224	16,699,611	12,165,673	37,421,934	31,253,897
Total liabilities	213,512,747	210,866,014	100,895,968	92,649,550	314,408,715	303,515,564
Net assets:						
Invested in capital assets, net of related debt	142,109,428	166,025,629	152,636,141	100,419,310	294,745,569	266,444,939
Restricted	2,504,394	3,168,740	2,668,245	1,165,686	5,172,639	4,334,426
Unrestricted	63,338,892	90,576,169	127,184,590	86,526,932	190,523,482	177,103,101
Total net assets	\$ 207,952,714	\$ 259,770,538	\$ 282,488,976	\$ 188,111,928	\$ 490,441,690	\$ 447,882,466

An additional portion of the City's net assets (10 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$190,523,482) 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 an increase of \$1,502,559 in restricted assets reported in connection with the City's business-type activities. This primarily reflects additional restricted funds related to the new wastewater financing

The City's net assets increased by \$42,559,224 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 \$51,817,824. Key elements of this increase are as follows:

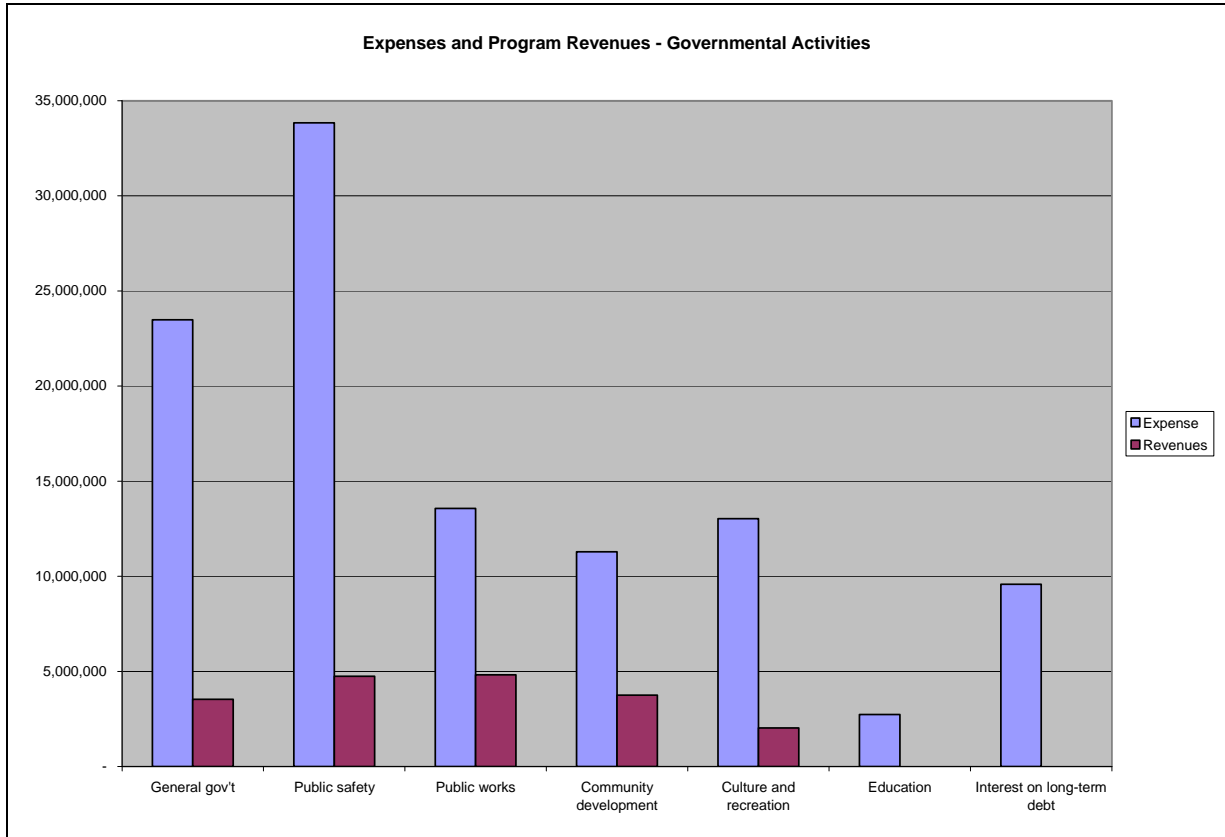
- Annual debt service payments increased from \$13,393,448 to \$32,536,878 for principal, interest and fiscal agent fees.
- Transfers from various gross receipts tax increments increased due to including some available cash balances in the transfers in the amount of \$4,552,992.
- Transfer of the bond proceeds for the new convention center to the project fund in the amount of \$44,332,468.
- Transfer of the bond proceeds for a new parking garage in the amount of \$13,905,376.
- The net difference does reflect an increase in interest earnings of \$3,238,566 due to higher interest rates, higher cash balances in various funds and more active management of investments.
- Overall for the government activities revenues increased 6.9 percent.
- Property tax revenue increased from \$1,759,219 to \$3,584,591 which reflects an increase in the tax levy to support police and fire operations. Even with this significant increase for the City, the City only receives 5.8% of the residential levy and 7.2% of the commercial levy, with the balance going to the state, county, and schools. This is the first increase in the City's share of property tax in several decades.

CITY OF SANTA FE's Changes in Net Assets
Fiscal Year 06/07

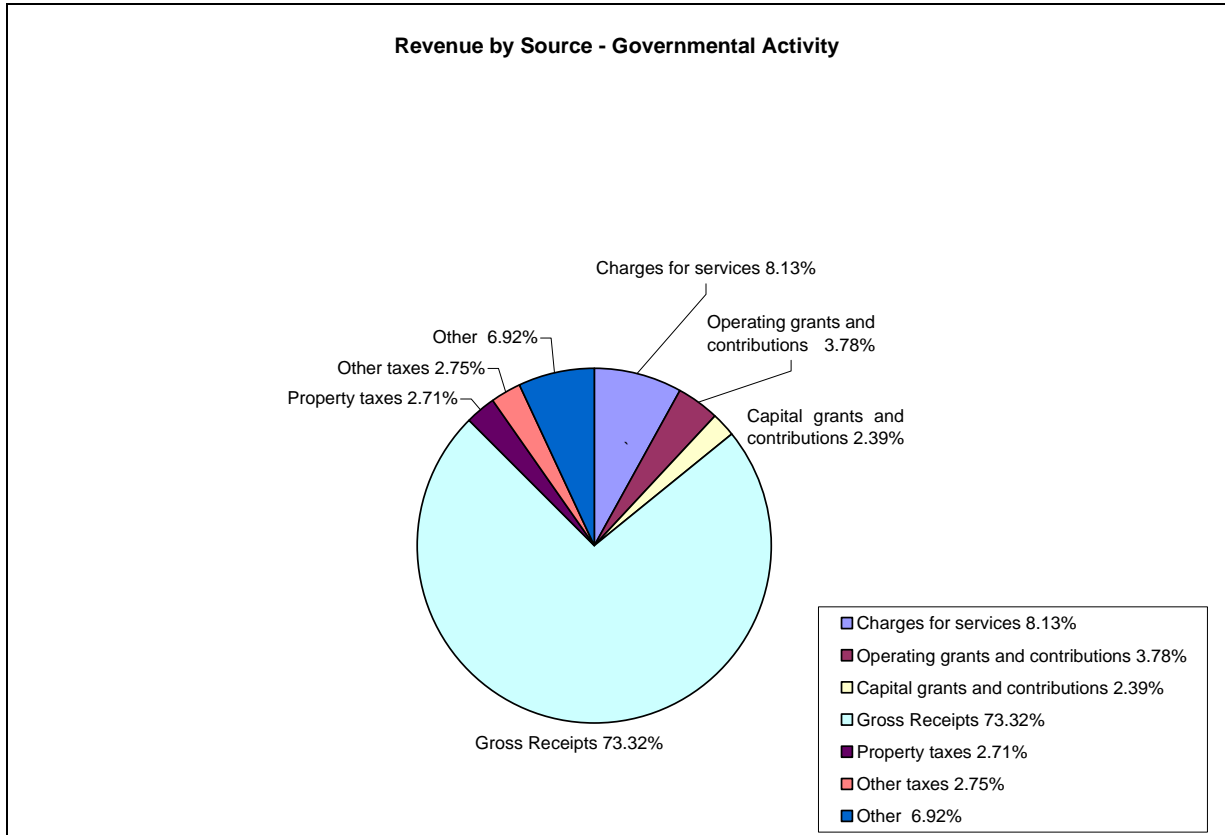
	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 10,735,343	\$ 10,269,208	\$ 54,855,482	\$ 60,779,005	\$ 65,590,825	\$ 71,048,213
Operating grants and contributions	4,986,198	5,111,406	935,944	905,751	5,922,142	6,017,157
Capital grants and contributions	3,153,872	4,891,819	11,049,540	8,401,178	14,203,412	13,292,997
General revenues:						
Property taxes	3,584,591	1,759,219	-	-	3,584,591	1,759,219
Other taxes	100,454,200	96,758,440	7,503,425	-	107,957,625	96,758,440
Other	9,135,620	4,678,903	7,325,059	4,673,308	16,460,679	9,352,211
Total revenues	132,049,824	123,468,995	81,669,450	74,759,242	213,719,274	198,228,237
Expenses:						
General government	23,484,442	21,318,849	-	-	23,484,442	21,318,849
Public safety	33,841,007	31,355,147	-	-	33,841,007	31,355,147
Public works	13,570,355	12,020,924	-	-	13,570,355	12,020,924
Community development	11,289,698	10,722,375	-	-	11,289,698	10,722,375
Culture and recreation	13,029,432	11,770,657	-	-	13,029,432	11,770,657
Education	2,737,868	2,573,152	-	-	2,737,868	2,573,152
Interest on long-term debt	9,583,608	5,404,184	-	-	9,583,608	5,404,184
Wastewater management	-	-	9,879,594	9,648,572	9,879,594	9,648,572
Water management	-	-	23,608,849	20,115,817	23,608,849	20,115,817
Municipal Recreation Complex	-	-	3,021,228	3,634,257	3,021,228	3,634,257
Railyard Property	-	-	608,703	205,168	608,703	205,168
Sweeney Convention Center	-	-	218,000	1,060,315	218,000	1,060,315
All other proprietary funds	-	-	26,287,266	24,264,697	26,287,266	24,264,697
Total expenses	107,536,410	95,165,288	63,623,640	58,928,826	171,160,050	154,094,114
Increase in net assests before transfers:	24,513,414	28,303,707	18,045,810	15,830,416	42,559,224	44,134,123
Transfers net	(76,331,238)	(14,175,434)	76,331,238	14,175,434	-	-
Increase (decrease) in net assets	(51,817,824)	14,128,273	94,377,048	30,005,850	42,559,224	44,134,123
Beginning balance	259,770,538	245,642,265	188,111,928	158,106,078	447,882,466	403,748,343
Ending balance	\$ 207,952,714	\$ 259,770,538	\$ 282,488,976	\$ 188,111,928	\$ 490,441,690	\$ 447,882,466

CITY OF SANTA FE

Fiscal Year 06/07



CITY OF SANTA FE
Fiscal Year 06/07

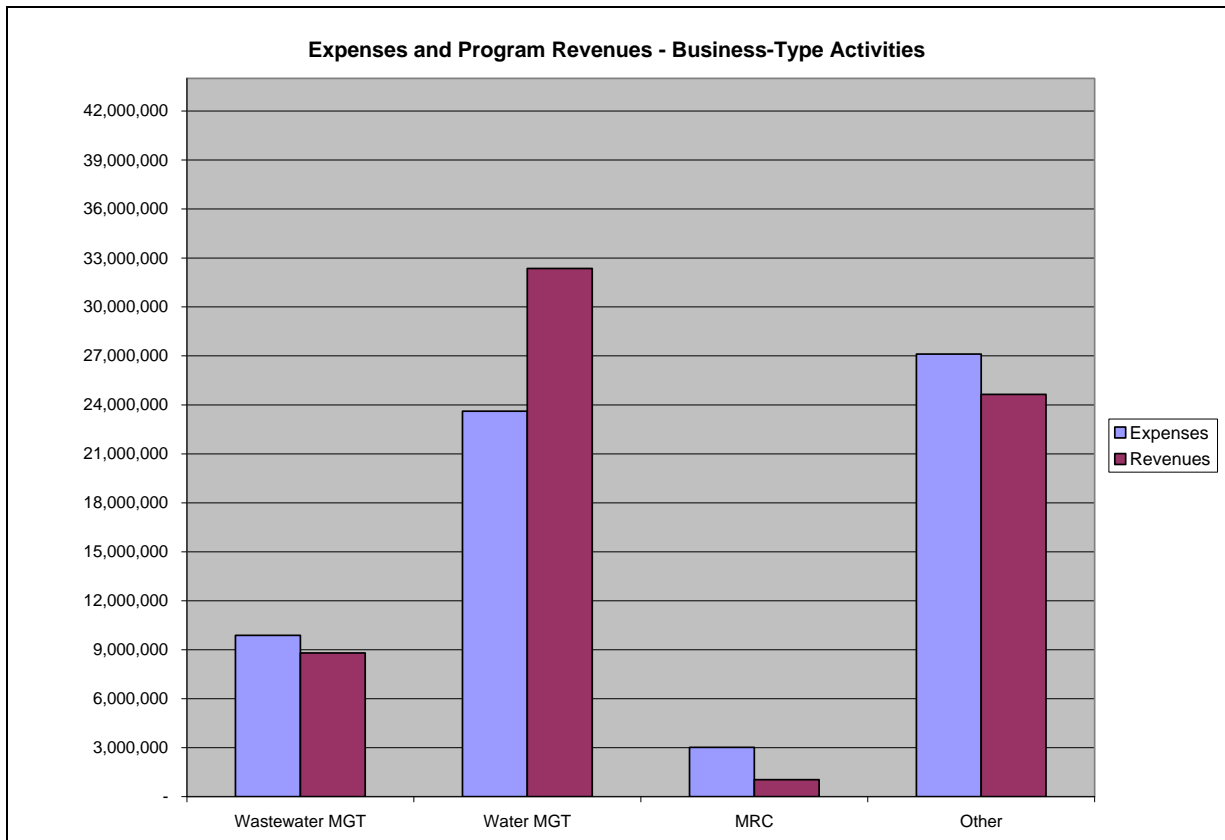


Business-type activities. Business-type activities increased the City's net assets by \$94,377,048, accounting for all of the total growth in the government's net assets. Key element of this increase are as follows:

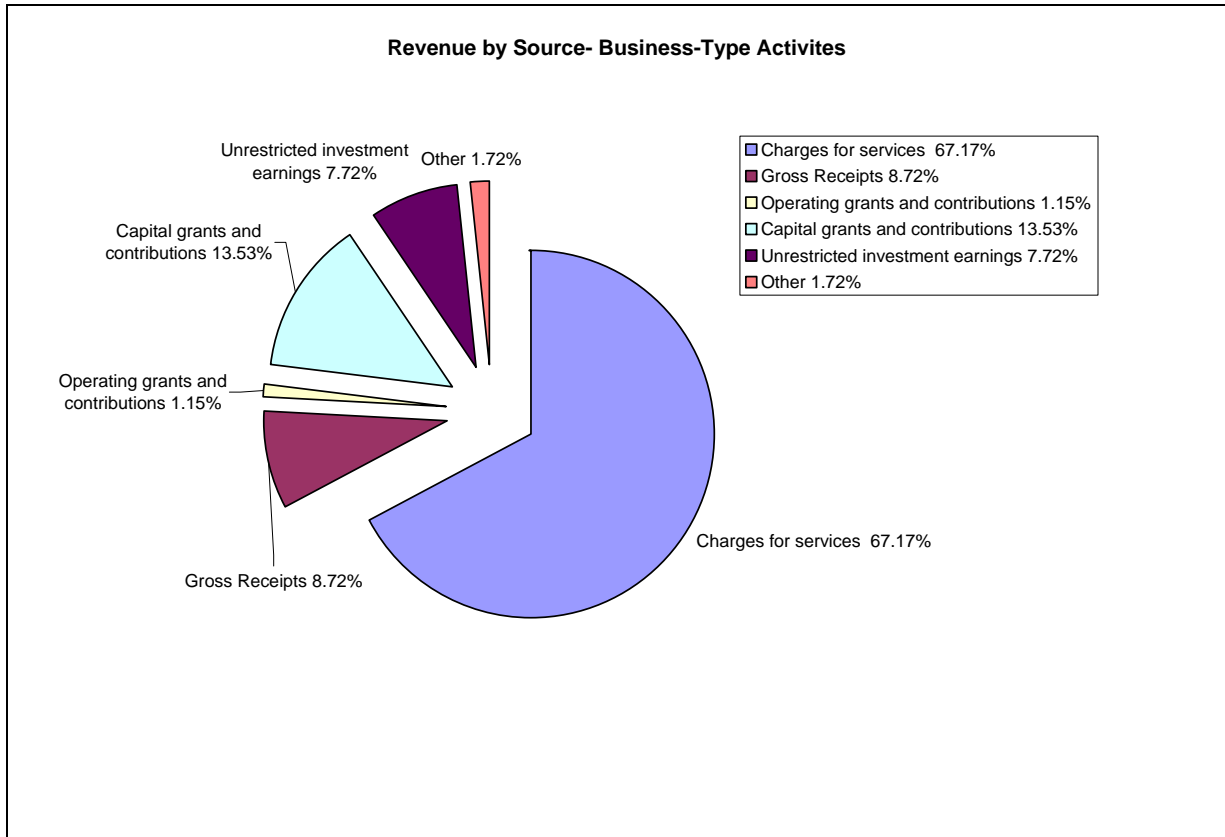
- Increased net assets in the amount of \$19,124,008 for the water management utility fund which will be applied to major projects that are currently just starting up.
- The increase in cash of \$14,748,678 included \$7,503,571 from the $\frac{1}{4}\%$ gross receipts tax approved by the voters for waster projects in 2006.
- For the waste water enterprise fund \$4,600,000 was transferred in from cash balances from the $\frac{1}{16}\%$ gross receipts tax increment that had been allocated for various waste water projects. The operation is completing bio-solids, composting

and plant upgrade projects. The balance of the project was from the proceeds of a \$10 million bond issue and other available cash balances in the fund.

CITY OF SANTA FE
Fiscal Year 06/07



CITY OF SANTA FE Fiscal Year 06/07



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 \$114,911,435, a decrease of \$62,296,365 in comparison with the prior year. Most of this total amount (\$92,216,555) 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 (\$3,303,056), to pay debt service (\$18,536,628), and for inventory (\$605,196). The most significant change included the reduction in the reserve for debt service of \$52,173,386.

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 \$26,378,133 while total fund balance was \$27,847,223. 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 40 percent of total general fund expenditures, which total fund balance represents 42 percent of that same amount.

The fund balance of the City's general fund increased by \$1,554,175 during the current fiscal year. A key factor in this increase was an increase in revenues of \$3,186,468 spread over taxes, fees, investment income and other revenues

The debt service fund has a total fund balance of \$18,536,628, all of which is reserved for projects and the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$52,173,386 due to the distributions of bond proceeds from the prior fiscal year.

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 \$127,184,590 of which 34 percent is for water management. In total, net assets for proprietary funds increased by \$94,377,048. 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 (\$4,524,888 increase in appropriations) and can be briefly summarized as follows:

- \$1,925,594 increase in general government
- \$1,762,470 increase in public safety
- \$310,305 increase in public works
- \$291,037 increase in community development
- \$78,169 increase in culture & recreation
- \$157,313 increase in education
- \$217,948 increase in transfers to other programs
- \$658,319 increase in transfer from other programs

Of this increase, \$1,460,278 was funded from revenue increases and other transfers in primarily from taxes and grants. The remaining \$3,282,558 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 \$531,086 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 \$3,150,238 which would reflect actual revenues over budget by \$2,217,583. Total expenditures for the General Fund were less than budget by \$5,367,821 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, 2007 amounts to \$514,865,577 (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 12.1 percent (a 3.8 percent increase for governmental activities and a 23.7 percent increase for business-type activities).

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

- Construction in progress in various City facilities totaled \$130,115,329 in both governmental-type and business-type funds due to projects in progress with water and wastewater projects, railyard property development, sweeney convention center construction 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 \$20.7 million.

CITY OF SANTA FE's Capital Assets (Net of Depreciation) Fiscal Year 06/07							
	Governmental Activities		Business-type Activities		Total		
	2007	2006	2007	2006	2007	2006	
Land	\$ 162,499,280	\$ 162,499,280	\$ 26,966,063	\$ 26,966,063	\$ 189,465,343	\$ 189,465,343	
Construction in Progress	24,205,840	30,748,118	105,909,489	52,993,909	130,115,329	83,742,027	
Art	922,920	922,920	180,971	180,971	1,103,891	1,103,891	
Buildings and Systems	34,859,378	26,344,706	36,214,517	36,798,070	71,073,895	63,142,776	
Improvements	5,472,880	6,169,720	52,763,315	58,902,340	58,236,195	65,072,060	
Sewerlines	-	-	8,520,704	9,009,086	8,520,704	9,009,086	
Equipment and Machinery	3,196,395	4,099,322	1,591,276	1,574,097	4,787,671	5,673,419	
Furniture and Fixtures	100,319	122,005	86,891	131,263	187,210	253,268	
Vehicles	5,306,185	4,523,097	5,696,351	5,559,652	11,002,536	10,082,749	
Data Processing and Software	2,024,950	1,905,808	673,707	819,034	2,698,657	2,724,842	
Traffic Signals	3,293,808	3,116,610	-	-	3,293,808	3,116,610	
Streets and Bridges	34,380,338	25,711,870	-	-	34,380,338	25,711,870	
Total	\$ 276,262,293	\$ 266,163,456	\$ 238,603,284	\$ 192,934,485	\$ 514,865,577	\$ 459,097,941	

Additional information on the City's capital assets can be found in note IV-D on pages 48 and 49 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$231,975,000. Of this amount, \$164,345,000 comprises debt backed by gross receipts tax revenues and lodgers tax, and \$67,630,000 is for various business-type bonds backed by specified operational revenue sources.

CITY OF SANTA FE'S OUTSTANDING DEBT							
Revenue Bonds							
Fiscal Year 06/07							
	Governmental		Business-type				
	Activities		Activities		Total		
	2007	2006	2007	2006	2007	2006	
Revenue bonds	\$ 164,345,000	\$ 161,900,000	\$ 67,630,000	\$ 70,420,000	\$ 231,975,000	\$ 232,320,000	

The City's total bonded debt decreased by \$345,000 (1.49 percent) during the current fiscal year. Additional financing was incurred in the amount of \$15,160,000 for the 2006B Refunding bonds, \$9,780,000 for the 2006C GRT/Wastewater bonds, and \$49,790,000 for the 2006D Water Refunding bonds. Bonds refunded included \$14,680,000 of the 1996B bonds, and \$48,215,000 of the 1995A bonds. Principal paid down was \$12,180,000.

The City has no outstanding general obligation bonds. Although in March 2008 voters approved a \$30,300,000 general obligation bond issue for parks and trails improvements, with scheduled closing June 2008.

Most of the City's bonds are insured and are rated AAA from Standard & Poor's and Aaa from Moody's. The wastewater variable rate bonds are currently AA-/A-1+ and Aa2/VMIG1 respectively. The 1999 Gross Receipts Tax Revenue Bonds were rated AA and A1 respectively, which was the last such bond with a rating without insurance.

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 \$128 million, which is significantly in excess of the city's proposed general obligation debt.

Additional information on the City's long-term debt can be found in note IV-H on pages 55 through 62 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Santa Fe MSA is currently at 3.5 percent, which has remained essentially steady from a year ago. This compares favorably to the state's current unemployment rate of 3.8 percent and the national average rate of 4.6 percent.
- The occupancy rate of the City's central business district has remained at near 100 percent 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 07/08.

During the current fiscal year, unreserved fund balance in the general fund increased to \$26,378,133, leaving a cash reserve of approximately \$7.8 million which is equivalent to 10 percent of the general fund expenditures and transfers out, net of liabilities. 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 not anticipated that there will be a need to significantly raise general fund taxes or charges for the general fund for FY 07/08.

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, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Housing Authority
ASSETS				
Cash, investments and cash equivalents	\$ 90,582,616	\$ 142,852,222	\$ 233,434,838	\$ 3,572,198
Receivables (net of allowance for uncollectables)	24,193,604	9,798,179	33,991,783	69,206
Internal balances	19,993,077	(19,993,077)	-	878,340
Inventories	499,767	-	499,767	-
Prepaid expenses	11,575	2,811,231	2,822,806	85,881
Other current assets	-	-	-	13,456
Deferred charges	2,145,904	2,248,634	4,394,538	-
Restricted assets:				
Temporarily restricted:				
Cash, investments and cash equivalents	3,483,199	1,917,341	5,400,540	-
Interest receivable	539,797	750,804	1,290,601	-
Intergovernmental receivable	3,753,629	4,396,326	8,149,955	256,775
Capital assets (net of accumulated depreciation):				
Land	162,499,280	26,966,063	189,465,343	835,152
Buildings, structures and systems	34,859,378	44,735,221	79,594,599	10,191,354
Furniture and fixtures	100,319	86,891	187,210	-
Improvements	5,472,880	52,763,315	58,236,195	-
Equipment and machinery	3,196,395	1,591,276	4,787,671	63,735
Vehicles	5,306,185	5,696,351	11,002,536	68,469
Art	922,920	180,971	1,103,891	-
Data processing equipment/software	2,024,950	673,707	2,698,657	-
Traffic signals	3,293,808	-	3,293,808	-
Streets and bridges	34,380,338	-	34,380,338	-
Construction in progress	24,205,840	105,909,489	130,115,329	559,102
Total assets	421,465,461	383,384,944	804,850,405	16,593,668
LIABILITIES				
Accounts payable and other current liabilities	14,630,014	13,094,507	27,724,521	721,013
Accrued interest payable	711,630	322,211	1,033,841	55,625
Deferred revenue				
Unearned revenue	2,967,180	81,702	3,048,882	22,211
Liabilities from restricted cash	2,413,499	3,201,191	5,614,690	51,478
Longterm liabilities:				
Due within one year	11,042,954	5,427,209	16,470,163	139,970
Due in more than one year	181,747,470	78,769,148	260,516,618	3,782,346
Total liabilities	213,512,747	100,895,968	314,408,715	4,772,643
NET ASSETS				
Invested in capital assets, net of related debt	142,109,428	152,636,141	294,745,569	8,295,496
Restricted for:				
Debt service	2,504,394	2,668,245	5,172,639	-
Unrestricted	63,338,892	127,184,590	190,523,482	3,525,529
Total net assets	\$ 207,952,714	\$ 282,488,976	\$ 490,441,690	\$ 11,821,025

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, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit Business-type Activities
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 23,484,442	\$ 2,729,053	\$ 400,848	\$ 401,529	\$ (19,953,012)	\$ -	\$ (19,953,012)	\$ -
Public safety	33,841,007	3,746,109	577,716	418,952	(29,098,230)	-	(29,098,230)	-
Public works	13,570,355	3,420,434	449,214	946,360	(8,754,347)	-	(8,754,347)	-
Community development	11,289,698	321,145	3,260,771	171,251	(7,536,531)	-	(7,536,531)	-
Culture and recreation	13,029,432	518,602	297,649	1,215,780	(10,997,401)	-	(10,997,401)	-
Education	2,737,868	-	-	-	(2,737,868)	-	(2,737,868)	-
Interest on long-term debt	9,583,608	-	-	-	(9,583,608)	-	(9,583,608)	-
Total governmental activities	107,536,410	10,735,343	4,986,198	3,153,872	(88,660,997)	-	(88,660,997)	-
Business-type activities:								
Wastewater Management	9,879,594	8,718,755	-	82,458	-	(1,078,381)	(1,078,381)	-
Water Management	23,608,849	29,158,277	-	3,203,186	-	8,752,614	8,752,614	-
Municipal Recreation Complex	3,021,228	1,035,847	-	1,315	-	(1,984,066)	(1,984,066)	-
Railyard Cener	608,703	273,221	-	2,495,258	-	2,159,776	2,159,776	-
Sweeney Convention Center	218,000	-	-	-	-	(218,000)	(218,000)	-
Solid Waste Management	8,888,090	9,249,160	-	-	-	361,070	361,070	-
Parking Fund	4,194,759	3,726,114	-	-	-	(468,645)	(468,645)	-
Transit and Airport Systems	8,309,125	890,065	935,944	5,230,489	-	(1,252,627)	(1,252,627)	-
Genoveva Chavez community Center	4,895,292	1,804,043	-	36,834	-	(3,054,415)	(3,054,415)	-
Total business-type activities	63,623,640	54,855,482	935,944	11,049,540	-	3,217,326	3,217,326	-
Total primary government	\$ 171,160,050	\$ 65,590,825	\$ 5,922,142	\$ 14,203,412	(88,660,997)	3,217,326	(85,443,671)	-
Component Unit:								
Housing Authority	\$ 8,460,586	\$ 2,027,857	\$ 4,065,914	\$ 1,658,101	-	-	-	(708,714)
Total component unit	\$ 8,460,586	\$ 2,027,857	\$ 4,065,914	\$ 1,658,101	-	-	-	(708,714)
General Revenues:								
Property taxes					3,584,591	-	3,584,591	-
Sales taxes					88,146,556	7,503,425	95,649,981	-
Lodger taxes					8,677,392	-	8,677,392	-
Franchise taxes					2,391,985	-	2,391,985	-
Motor fuel taxes					1,130,555	-	1,130,555	-
Cigarette taxes					107,712	-	107,712	-
Unrestricted investment earnings					7,187,724	6,301,086	13,488,810	129,120
Miscellaneous revenues					1,947,896	978,032	2,925,928	341,664
Gain on sale of capital assets					-	45,941	45,941	-
Transfers					(76,331,238)	76,331,238	-	-
Total general revenues and transfers					36,843,173	91,159,722	128,002,895	470,784
Change in net assets					(51,817,824)	94,377,048	42,559,224	(237,930)
Net assets, beginning, as originally reported					259,770,538	188,111,928	447,882,466	11,428,984
Restatement, Note D (Component unit only)					-	-	-	629,971
Net assets, beginning, as restated					-	-	-	12,058,955
Net assets, ending					\$ 207,952,714	\$ 282,488,976	\$ 490,441,690	\$ 11,821,025

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, 2007

	Major funds				Other Non Major Funds	Total Governmental Funds
	General Fund	1/2% GRT Special Revenue	1/2% CIP GRT	Debt Service		
Assets						
Cash and investments	\$ 17,589,532	\$ 747,954	\$ 6,337,360	\$ 15,284,306	\$ 36,767,088	\$ 76,726,240
Restricted cash, cash equivalents and investments:						
Restricted for debt service payments	-	-	-	3,233,199	-	3,233,199
Restricted for endowment	-	-	-	-	250,000	250,000
Receivables:						
State-shared taxes	6,993,078	2,762,594	2,778,594	-	469,838	13,004,104
Local taxes	3,378,066	-	-	-	-	3,378,066
Real estate taxes	16,265	-	-	-	-	16,265
Special assessments	161,488	-	-	-	-	161,488
Interest	104,722	6,205	-	110,368	247,925	469,220
Ambulance (net of allowances)	4,467,941	-	-	-	-	4,467,941
Grants-restricted	33,687	-	-	-	3,719,942	3,753,629
Other receivables (net of allowance)	44,366	-	-	-	3,121,374	3,165,740
Prepaid Expenses	-	-	-	-	11,575	11,575
Due from other funds	880,092	-	19,624,545	-	-	20,504,637
Supplies inventory	499,767	-	-	-	-	499,767
Total Assets	\$ 34,169,004	\$ 3,516,753	\$ 28,740,499	\$ 18,627,873	\$ 44,587,742	\$ 129,641,871
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 1,215,558	\$ -	\$ 37,742	\$ 33,757	\$ 3,422,949	\$ 4,710,006
Compensated absences payable	554,404	-	108,948	-	277,359	940,711
Accrued wages payable	1,947,623	-	73,995	-	481,304	2,502,922
Due to other funds	-	-	-	-	511,560	511,560
Deferred revenue:						
Unearned revenue	189,276	-	-	-	2,777,904	2,967,180
Other current liabilities	536,989	-	90,081	57,488	-	684,558
Liabilities payable from restricted assets	1,877,931	-	-	-	535,568	2,413,499
Total liabilities	6,321,781	-	310,766	91,245	8,006,644	14,730,436
Fund balances:						
Fund balance:						
Reserved for debt service	-	-	-	18,536,628	-	18,536,628
Reserved for encumbrances	863,894	-	-	-	2,439,162	3,303,056
Reserved for endowment	-	-	-	-	250,000	250,000
Reserved for inventory	605,196	-	-	-	-	605,196
Unreserved, reported in:						
General fund	26,378,133	-	-	-	-	26,378,133
Special revenue funds	-	3,516,753	-	-	16,059,561	19,576,314
Capital projects funds	-	-	28,429,733	-	17,832,375	46,262,108
Total Fund Balances	27,847,223	3,516,753	28,429,733	18,536,628	36,581,098	114,911,435
Total liabilities and fund balances	\$ 34,169,004	\$ 3,516,753	\$ 28,740,499	\$ 18,627,873	\$ 44,587,742	

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.	276,259,905
Other long-term assets are not available to pay for current-period expenditures and, therefore are not reported in the funds.	2,145,904
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.	7,084,344
Accrued interest payable	(711,630)
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.	(186,559,493)
Other long-term liabilities-compensated balances	(5,177,751)
Net assets of governmental activities	\$ 207,952,714

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, 2007

	Major Funds				Other	Total
	General	1/2% GRT	1/2%	Debt	Non Major	Governmental
	Fund	Special Revenue	CIP GRT	Service	Funds	Funds
Revenues:						
Taxes						
Gross receipts	\$ 55,181,300	\$ 15,475,180	\$ 15,567,596	\$ -	\$ 1,922,480	88,146,556
Cigarette	67,880	-	-	-	39,832	107,712
Motor	-	-	-	-	1,130,555	1,130,555
Lodgers	-	-	-	-	8,677,392	8,677,392
Property	1,913,639	-	-	-	1,670,952	3,584,591
Franchise	2,371,167	-	-	-	20,818	2,391,985
Licenses and permits	2,863,976	-	-	-	-	2,863,976
Intergovernmental revenues	292,341	-	-	-	7,847,729	8,140,070
Fees and charges for services	3,819,905	-	-	-	4,051,462	7,871,367
Sale of capital assets	-	-	-	-	28,793	28,793
Fines and forfeitures	304,993	-	-	-	-	304,993
Rents, royalties and concessions	28,627	-	-	-	137,368	165,995
Investment income	928,349	222,459	-	2,743,545	2,604,632	6,498,985
Land sales	-	-	-	-	267,786	267,786
Other revenues	354,918	-	1,300	-	852,904	1,209,122
Total revenues	68,127,095	15,697,639	15,568,896	2,743,545	29,252,703	131,389,878
Expenditures:						
Current:						
General government	15,384,912	-	2,096,370	-	5,033,105	22,514,387
Public safety	30,095,329	-	-	-	2,769,526	32,864,855
Public works	4,721,597	-	-	-	2,981,015	7,702,612
Community development	5,490,883	-	-	-	5,669,333	11,160,216
Culture and recreation	6,918,369	-	-	-	3,894,707	10,813,076
Education	2,732,739	-	-	-	-	2,732,739
Total current expenditures	65,343,829	-	2,096,370	-	20,347,686	87,787,885
Capital outlay:						
General government	649,282	-	554,600	-	2,271,303	3,475,185
Public safety	581,729	-	-	-	1,350,933	1,932,662
Public works	3,762	-	-	-	9,138,118	9,141,880
Community development	11,558	-	-	-	88,912	100,470
Culture and recreation	7,205	-	-	-	7,456,316	7,463,521
Education	5,129	-	-	-	-	5,129
Total capital outlay expenditures	1,258,665	-	554,600	-	20,305,582	22,118,847
Debt service:						
Principal payments	-	-	-	22,635,861	-	22,635,861
Interest and fiscal agent fees	-	-	90,081	9,901,017	-	9,991,098
Bond issuance costs	-	-	-	612,356	-	612,356
Total expenditures	66,602,494	-	2,741,051	33,149,234	40,653,268	143,146,047
Excess (deficiency) of revenues over expenditures	1,524,601	15,697,639	12,827,845	(30,405,689)	(11,400,565)	(11,756,169)
Other financing sources (uses):						
Transfers in	4,040,207	-	22,760	17,085,180	19,536,112	40,684,259
Transfers out	(4,010,633)	(20,028,172)	(12,136,730)	(64,603,621)	(16,196,043)	(116,975,199)
HUD loan payments (flow through)	-	-	-	25,656	-	25,656
Issuance of bonds						
Face value of bonds issued	-	-	-	24,940,000	-	24,940,000
Premium on issuance of bond	-	-	-	785,088	-	785,088
Total other financing sources (uses)	29,574	(20,028,172)	(12,113,970)	(21,767,697)	3,340,069	(50,540,196)
Net change in fund balances	1,554,175	(4,330,533)	713,875	(52,173,386)	(8,060,496)	(62,296,365)
Fund balances, beginning of year	26,293,048	7,847,286	27,715,858	70,710,014	44,641,594	177,207,800
Fund balances, end of year	\$ 27,847,223	\$ 3,516,753	\$ 28,429,733	\$ 18,536,628	\$ 36,581,098	\$ 114,911,435

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, 2007

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

Net change in fund balances--total governmental funds	\$ (62,296,365)
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.	10,318,377
The net effect of various miscellaneous transactions involving capital assets decrease in net assets:	(216,181)
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.	(2,209,920)
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.	(143,909)
Internal service funds are used by management to charge the costs of insurance to individual funds.	2,041,934
The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>688,240</u>
Change in net assets of governmental activities	<u><u>\$ (51,817,824)</u></u>

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

CITY OF SANTA FE, NEW MEXICO
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Taxes:				
State-shared taxes:				
Gross receipts	\$ 38,516,505	\$ 38,516,505	\$ 39,035,621	\$ 519,116
Cigarette	100,000	100,000	67,880	(32,120)
Automobile	340,000	340,000	357,873	17,873
Total state-shared taxes	38,956,505	38,956,505	39,461,374	504,869
Local taxes:				
Gross receipts	15,191,988	15,191,988	15,567,593	375,605
Property	1,856,826	1,856,826	1,913,639	56,813
Business	190,000	190,000	220,213	30,213
Utility franchise	2,695,000	2,495,000	2,371,167	(123,833)
Total local taxes	19,933,814	19,733,814	20,072,612	338,798
Other Revenues:				
Licenses and permits	2,816,800	2,816,800	2,863,976	47,176
Intergovernmental revenue	90,000	565,729	292,341	(273,388)
Fees and charges for services	5,225,253	5,255,650	3,819,905	(1,435,745)
Fines and forfeitures	306,350	306,350	304,993	(1,357)
Royalties, rents and concessions	33,500	33,500	28,627	(4,873)
Investment income	430,000	713,000	928,349	215,349
Other revenues	64,000	276,833	354,918	78,085
Total Other Revenue	8,965,903	9,967,862	8,593,109	(1,374,753)
Total revenues	67,856,222	68,658,181	68,127,095	(531,086)
Expenditures:				
General government:				
Current:				
General government	3,378,754	3,292,124	2,407,576	884,548
Municipal court	966,223	1,323,708	1,270,603	53,105
City clerk	1,140,401	1,143,691	875,644	268,047
Information technology and telecommunication	3,238,313	3,377,708	2,775,281	602,427
Personnel	767,861	945,436	610,016	335,420
Finance	2,909,749	3,283,725	3,247,347	36,378
Planning	2,088,745	2,201,986	1,984,807	217,179
Facilities maintenance	2,257,727	2,347,055	1,875,018	472,037
Fleet maintenance	510,549	582,942	338,620	244,322
Total current	17,258,322	18,498,375	15,384,912	3,113,463
Capital outlay:				
General government	-	49,296	39,302	9,994
Municipal Court	1,000	250,312	202,244	48,068
City clerk	3,543	88,090	54,908	33,182
Information technology and telecommunication	100,000	141,124	91,110	50,014
Personnel	-	2,300	4,125	(1,825)
Finance	5,478	53,822	47,809	6,013
Planning	1,856	166,860	160,658	6,202
Facilities maintenance	4,228	46,842	46,276	566
Fleet Maintenance	-	3,000	2,850	150
Total capital outlay	116,105	801,646	649,282	152,364
Total general government	17,374,427	19,300,021	16,034,194	3,265,827

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public safety:				
Current:				
Police	18,655,669	19,483,261	18,619,237	864,024
Fire	11,595,123	11,981,541	11,476,092	505,449
Total current	30,250,792	31,464,802	30,095,329	1,369,473
Capital outlay:				
Police	16,500	428,438	428,437	1
Fire	17,200	153,722	153,292	430
Total capital outlay	33,700	582,160	581,729	431
Total public safety	30,284,492	32,046,962	30,677,058	1,369,904
Public works:				
Current:				
Administration	563,913	643,398	522,960	120,438
Highways, streets and roads	1,219,281	1,356,377	1,302,436	53,941
Traffic engineering	2,822,580	2,912,954	2,896,201	16,753
Total current	4,605,774	4,912,729	4,721,597	191,132
Capital outlay:				
Administration	1,900	3,050	1,762	1,288
Traffic Engineering	-	2,200	2,000	200
Total capital outlay	1,900	5,250	3,762	1,488
Total public works	4,607,674	4,917,979	4,725,359	192,620
Community development:				
Current:				
Human needs	1,386,346	1,444,272	1,336,186	108,086
Senior citizens	945,736	1,031,793	1,024,242	7,551
Community services	1,344,666	1,474,561	1,427,256	47,305
Inspection	1,068,850	1,119,616	1,124,048	(4,432)
Zoning	671,897	575,341	579,151	(3,810)
Total current	5,417,495	5,645,583	5,490,883	154,700
Capital outlay:				
Human needs	-	3,876	3,213	663
Senior citizens	-	45,320	1,310	44,010
Community services	600	6,679	4,420	2,259
Inspection	500	8,459	2,400	6,059
Zoning	45,173	44,888	215	44,673
Total capital outlay	46,273	109,222	11,558	97,664
Total community development	5,463,768	5,754,805	5,502,441	252,364
Culture and recreation:				
Current:				
Parks/grounds maintenance	4,857,715	4,863,537	4,772,199	91,338
Recreation	2,188,982	2,267,309	2,146,170	121,139
Total current	7,046,697	7,130,846	6,918,369	212,477
Capital outlay:				
Parks/grounds maintenance	8,000	990	859	131
Recreation	5,410	6,440	6,346	94
Total capital outlay	13,410	7,430	7,205	225
Total culture and recreation	7,060,107	7,138,276	6,925,574	212,702

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Education:				
Current:				
Libraries	2,649,484	2,806,797	2,732,739	74,058
Total current	2,649,484	2,806,797	2,732,739	74,058
Capital outlay:				
Libraries	5,475	5,475	5,129	346
Total capital outlay	5,475	5,475	5,129	346
Total education	2,654,959	2,812,272	2,737,868	74,404
Total expenditures	67,445,427	71,970,315	66,602,494	5,367,821
Excess (deficiency) of revenues over expenditures	410,795	(3,312,134)	1,524,601	4,836,735
Other financing sources (uses):				
Transfers in	3,381,890	4,040,209	4,040,207	(2)
Transfers out	(3,792,685)	(4,010,633)	(4,010,633)	-
Total other financing sources (uses)	(410,795)	29,576	29,574	(2)
Net change in fund balance	-	(3,282,558)	1,554,175	4,836,733
Fund balance, beginning of year	26,293,048	26,293,048	26,293,048	-
Fund balance, end of year	\$ 26,293,048	\$ 23,010,490	\$ 27,847,223	\$ 4,836,733

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, 2007

	Business-type Activities - Enterprise Funds			
	Waste Water Management	Water Management	Municipal Recreation Complex	Railyard Property
Assets				
Current assets:				
Cash, investments and cash equivalents	\$ 18,880,775	\$ 58,441,775	\$ 103,699	\$ 10,101,330
Restricted cash, cash equivalents and investments:				
Restricted for debt service payments	-	560,068	84,928	1,272,345
Grants receivable	-	981,897	-	2,047,837
Receivable (net of allowances)				
State-shared taxes	-	1,348,556	-	-
Accounts	1,307,418	5,398,747	125,860	-
Interest receivable	95,156	288,830	668	64,373
Prepaid expenses	-	2,811,231	-	-
Total current assets	20,283,349	69,831,104	315,155	13,485,885
Noncurrent assets:				
Deferred charges (net of amortization)	-	1,904,496	344,138	-
Capital assets:				
Land and land rights	25,498	2,472,660	2,250,000	20,145,837
Buildings, structures and systems	14,644,379	10,538,060	2,122,713	-
Sewerlines	21,120,966	-	-	-
Improvements	19,181,556	68,506,422	13,336,226	-
Furniture and fixtures	21,956	578,906	-	-
Equipment and machinery	1,569,992	7,291,348	925,579	-
Vehicles	2,238,320	1,568,938	68,561	-
Intangible plant	-	57,625	-	-
Data processing equipment /software	140,631	828,528	115,122	-
Art	-	-	-	-
Construction in progress	10,092,182	41,410,115	4,213	11,700,670
Less accumulated depreciation	(39,384,391)	(38,686,291)	(13,078,820)	-
Total capital assets (net of accumulated depreciation)	29,651,089	94,566,311	5,743,594	31,846,507
Total noncurrent assets	29,651,089	96,470,807	6,087,732	31,846,507
Total assets	49,934,438	166,301,911	6,402,887	45,332,392
Liabilities				
Current liabilities:				
Accounts payable	1,564,524	1,331,702	26,895	2,010,984
Miscellaneous payable	28,019	120,325	5,205	-
Compensated absences payable	358,911	613,727	36,291	-
Accrued wages payable	159,483	299,568	17,329	-
Benefits payable	26,104	-	9,235	-
Claims and judgement payable	-	-	-	-
Bonds and notes payable - current portion	-	3,995,000	705,000	140,903
Accrued interest payable	-	227,152	48,277	46,792
Customer deposits payable	15,358	3,163,917	-	-
Other payable	35,825	-	605	-
Intangible deferred credit	-	81,702	-	-
Due to other funds	-	-	-	-
Total current liabilities	2,188,224	9,833,093	848,837	2,198,679
Noncurrent liabilities:				
Bonds payable (net of unamortized discounts)	-	52,205,672	13,433,855	14,080,232
Due to other funds	-	19,624,545	-	-
Total noncurrent liabilities	-	71,830,217	13,433,855	14,080,232
Total liabilities	2,188,224	81,663,310	14,282,692	16,278,911
Net Assets				
Invested in capital assets, net of related debt	29,651,089	40,781,311	(8,101,406)	26,158,869
Restricted for debt service	-	560,068	107,027	1,272,345
Unrestricted	18,095,125	43,297,222	114,574	1,622,267
Total net assets	\$ 47,746,214	\$ 84,638,601	\$ (7,879,805)	\$ 29,053,481

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

				Governmental Activities- Internal Service Funds	
Sweeney Center	All Other Enterprise Funds	Totals			
\$ 40,181,304	\$ 15,143,339	\$ 142,852,222	\$ 13,856,376	Current assets:	
-	-	1,917,341	-	Cash, investments and cash equivalents	
-	1,366,592	4,396,326	-	Restricted cash, cash equivalents and investments:	
-	-	-	-	Restricted for debt service payments	
-	-	1,348,556	-	Grants receivable	
-	1,617,598	8,449,623	-	Receivable (net of allowances)	
216,834	84,943	750,804	70,577	State-shared taxes	
-	-	2,811,231	-	Accounts	
				Interest receivable	
				Prepaid expenses	
40,398,138	18,212,472	162,526,103	13,926,953	Total current assets	
-	-	2,248,634	-	Noncurrent assets:	
				Deferred charges (net of amortization)	
	2,072,068	26,966,063	-	Capital assets:	
-	30,561,355	57,866,507	-	Land and land rights	
-	-	21,120,966	-	Buildings and systems	
-	6,921,456	107,945,660	-	Sewerlines	
94,068	99,198	794,128	5,520	Improvements	
210,001	3,015,858	13,012,778	12,910	Furniture and fixtures	
12,850	14,682,416	18,571,085	11,477	Equipment and machinery	
-	-	57,625	-	Vehicles	
38,029	1,401,597	2,523,907	17,583	Intangible plant	
-	180,971	180,971	-	Data processing equipment /software	
20,703,778	21,998,531	105,909,489	-	Art	
(334,119)	(24,862,274)	(116,345,895)	(45,102)	Construction in progress	
				Less accumulated depreciation	
20,724,607	56,071,176	238,603,284	2,388	Total capital assets (net of accumulated depreciation)	
20,724,607	56,071,176	240,851,918	2,388	Total noncurrent assets	
61,122,745	74,283,648	403,378,021	13,929,341	Total assets	
Liabilities					
2,871,258	1,182,672	8,988,035	179,280	Current liabilities:	
-	44,134	197,683	-	Accounts payable	
20,022	1,316,271	2,345,222	112,469	Miscellaneous payable	
5,227	550,479	1,032,086	41,019	Compensated absences payable	
4,334	91,063	130,736	-	Accrued wages payable	
-	-	-	6,467,696	Benefits payable	
-	-	4,840,903	-	Claims and judgement payable	
-	-	322,221	-	Bonds and notes payable - current portion	
10,900	11,016	3,201,191	-	Accrued interest payable	
-	-	36,430	44,533	Customer deposits payable	
-	-	81,702	-	Other payable	
-	368,532	368,532	-	Intangible deferred credit	
			-	Due to other funds	
2,911,741	3,564,167	21,544,741	6,844,997	Total current liabilities	
-	-	79,719,759	-	Noncurrent liabilities:	
-	-	19,624,545	-	Bonds payable (net of unamortized discounts)	
				Due to other funds	
-	-	99,344,304	-	Total noncurrent liabilities	
2,911,741	3,564,167	120,889,045	6,844,997	Total liabilities	
18,041,491	46,104,787	152,636,141	2,388	Net Assets	
-	728,805	2,668,245	-	Invested in capital assets, net of related debt	
40,169,513	23,885,889	127,184,590	7,081,956	Restricted for debt service	
				Unrestricted	
\$ 58,211,004	\$ 70,719,481	\$ 282,488,976	\$ 7,084,344	Total net assets	

CITY OF SANTA FE, NEW MEXICO
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2007

	Business-type Activities- Enterprise Funds			
	Waste Water Management	Water Management	Municipal Recreation Complex	Railyard Property
Operating revenues:				
User fees	\$ 8,718,755	\$ 29,132,054	\$ 1,035,847	\$ -
Facilities rentals	-	26,223	-	273,221
Other revenue	6,334	33,869	113,827	-
Total operating revenues	8,725,089	29,192,146	1,149,674	273,221
Operating expenses:				
Salaries, wages and benefits	4,193,930	7,575,779	434,333	-
Contractual services and utilities	667,235	3,480,484	233,786	153,234
Repairs and maintenance	665,198	851,997	8,576	-
Supplies	376,810	893,543	60,436	-
Capital outlay-inventory exempt items	32,703	125,311	4,153	-
Depreciation	2,687,484	3,512,978	1,409,337	-
Amortization expense	-	1,361,757	19,670	-
Insurance	597,796	491,417	60,612	-
Other	622,613	1,480,206	203,717	907
Total operating expenses	9,843,769	19,773,472	2,434,620	154,141
Operating income (loss)	(1,118,680)	9,418,674	(1,284,946)	119,080
Non-operating revenues (expenses):				
Investment income	985,941	2,643,304	33,247	660,977
Intergovernmental				
State-shared taxes	-	7,503,425	-	-
Grants	82,458	2,823,663	1,315	2,495,258
Gain (loss) on sale of capital assets	(1,543)	6,209	3,960	-
Interest expense	(35,825)	(3,835,377)	(586,608)	(454,562)
Capital contributions	-	379,523	-	-
Total non-operating revenues (expenses)	1,031,031	9,520,747	(548,086)	2,701,673
Income(loss) before transfers	(87,649)	18,939,421	(1,833,032)	2,820,753
Transfers in	4,600,000	266,587	927,412	1,289,653
Transfers out	(731,110)	(82,000)	(10,000)	-
Change in net assets	3,781,241	19,124,008	(915,620)	4,110,406
Total net assets, beginning of year	43,964,973	65,514,593	(6,964,185)	24,943,075
Total net assets-end of year	\$ 47,746,214	\$ 84,638,601	\$ (7,879,805)	\$ 29,053,481

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

Sweeney Convention Center	All Other Enterprise Funds	Totals	Governmental Activities- Internal Service Funds	
\$ -	\$ 15,112,712	\$ 53,999,368	\$ -	User fees
-	556,670	856,114	-	Facilities rentals
200	823,802	978,032	22,739,463	Other revenue
200	16,493,184	55,833,514	22,739,463	Total operating revenues
142,969	14,088,233	26,435,244	932,684	Salaries, wages and benefits
-	3,227,948	7,762,687	601,802	Contractual services and utilities
-	893,726	2,419,497	748	Repairs and maintenance
893	1,418,422	2,750,104	47,988	Supplies
5,888	912,110	1,080,165	-	Capital outlay-inventory exempt items
10,574	2,639,665	10,260,038	2,860	Depreciation expense
-	-	1,381,427	-	Amortization expense
-	799,664	1,949,489	18,646,474	Insurance
57,676	2,307,498	4,672,617	424,675	Other
218,000	26,287,266	58,711,268	20,657,231	Total operating expenses
(217,800)	(9,794,082)	(2,877,754)	2,082,232	Operating income (loss)
1,240,774	736,843	6,301,086	688,739	Investment income
-	-	7,503,425	-	Intergovernmental
-	6,203,267	11,605,961	-	State-shared taxes
-	37,315	45,941	-	Grants
-	-	(4,912,372)	(499)	Gain (loss) on sale of capital assets
-	-	379,523	-	Interest expense
-	-	-	-	Other non operating revenue
1,240,774	6,977,425	20,923,564	688,240	Total non-operating revenues (expenses)
1,022,974	(2,816,657)	18,045,810	2,770,472	Income(loss) before transfers
49,593,616	21,007,149	77,684,417	-	Transfers in
(73,300)	(456,769)	(1,353,179)	(40,298)	Transfers out
50,543,290	17,733,723	94,377,048	2,730,174	Change in net assets
7,667,714	52,985,758	188,111,928	4,354,170	Total net assets, beginning of year
\$ 58,211,004	\$ 70,719,481	\$ 282,488,976	\$ 7,084,344	Total net assets, end of year

CITY OF SANTA FE, NEW MEXICO
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2007

Business-type Activities-Enterprise Funds

	Waste Water Management	Water Management	Municipal Recreation Complex	Railyard Property
Cash flows from operating activities:				
Cash received from customers	\$ 8,389,152	\$ 30,477,407	\$ 1,261,271	\$ 273,221
Cash received from interfund services provided and used	-	-	-	-
Cash payments to suppliers for goods and services	(530,738)	(8,987,381)	(539,702)	1,614,511
Cash paid for interfund services provided and used	(567,056)	(917,383)	-	(907)
Cash payments to employees for services	(4,149,985)	(7,553,734)	(432,742)	(767)
Net cash provided (used) by operating activities:	3,141,373	13,018,909	288,827	1,886,058
Cash flows from noncapital financing activities:				
Intergovernmental	84,609	12,864,772	9,937	9,135,777
Transfers-in from other funds	4,600,000	266,587	927,412	1,289,653
Transfers-out to other funds	(731,110)	(82,000)	(10,000)	-
Net cash provided (used) by noncapital financing activities	3,953,499	13,049,359	927,349	10,425,430
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(7,538,611)	(7,548,597)	(201,314)	(8,291,343)
Proceeds from sale of capital assets	-	7,653	3,960	-
Contribute capital	-	379,523	-	-
Proceeds from sale of bonds	-	1,232,730	-	-
Principal paid on revenue bond maturities and notes payable	-	(3,695,000)	(687,286)	-
Interest paid on revenue bonds and notes payable	(35,825)	(3,714,199)	(588,842)	(425,129)
Net cash used for capital and related financing activities	(7,574,436)	(13,337,890)	(1,473,482)	(8,716,472)
Cash flows from investing activities:				
Interest and dividends on investments	994,636	2,578,368	33,802	605,912
Net cash provided by investing activities	994,636	2,578,368	33,802	605,912
Net increase (decrease) in cash and cash equivalents	515,072	15,308,746	(223,504)	4,200,928
Cash, investments and cash equivalents at beginning of year	18,365,703	43,693,097	412,131	7,172,747
Cash, investments and cash equivalents at end of year	\$ 18,880,775	\$ 59,001,843	\$ 188,627	\$ 11,373,675
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (1,118,680)	\$ 9,418,674	\$ (1,284,946)	\$ 119,079
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	2,687,484	4,874,735	1,429,007	-
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	97,965	2,680,389	111,597	-
(Increase) decrease in prepaid expenses	(58,997)	(1,420,019)	363,808	-
(Increase) decrease in deferred charges	109,854	1,189,124	(331,324)	-
Increase (decrease) in notes payable	(109,854)	(1,189,124)	(12,814)	140,903
Increase (decrease) in accounts payable	1,471,498	(950,530)	6,703	1,626,843
Increase (decrease) in other payable	2,638	-	5,205	-
Increase (decrease) in compensated absences payable	34,643	10,768	2,677	-
Increase (decrease) in accrued wages payable	9,453	11,277	(1,086)	(767)
Increase (decrease) in benefits payable	(151)	(211,257)	-	-
Increase (decrease) in escrow	1,400	(1,395,128)	-	-
Increase (decrease) in due to other funds	-	-	-	-
(Increase) decrease in reserve in trust	14,120	-	-	-
Total adjustments	4,260,053	3,600,235	1,573,773	1,766,979
Net cash provided (used) by operating activities	\$ 3,141,373	\$ 13,018,909	\$ 288,827	\$ 1,886,058

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

				Governmental Activities- Internal Service Funds	
Sweeney Convention Center	All Other Enterprise Funds	Totals			
\$ 200	\$ 16,119,106	\$ 56,520,357	\$ 16,164,764	Cash flows from operating activities:	
	-	-	6,611,447	Cash received from customers	
2,698,240	(6,792,087)	(12,537,157)	(19,846,150)	Cash received from interfund services provided and used	
(56,600)	(1,504,871)	(3,046,817)	-	Cash payments to suppliers for goods and services	
(142,350)	(13,952,210)	(26,231,788)	(885,382)	Cash paid for interfund services provided and used	
2,499,490	(6,130,062)	14,704,595	2,044,679	Cash payments to employees for services	
				Net cash provided (used) by operating activities:	
49,593,616	5,221,806	76,910,517	-	Cash flows from noncapital financing activities:	
(73,300)	22,224,149	29,234,501	-	Intergovernmental	
-	(1,673,769)	(2,496,879)	(40,298)	Transfers-in from other funds	
				Transfers-out to other funds	
49,520,316	25,772,186	103,648,139	(40,298)	Net cash provided (used) by noncapital financing activities	
(15,601,724)	(16,864,025)	(56,045,614)	-	Cash flows from capital and related financing activities:	
-	37,655	49,268	-	Acquisition and construction of capital assets	
-	-	379,523	-	Proceeds (Loss) from sale of capital assets	
-	-	1,232,730	-	Contribute capital	
-	-	(4,382,286)	-	Proceeds from sale of bonds	
-	-	(4,763,995)	-	Principal paid on revenue bond maturities and notes payable	
			-	Interest paid on revenue bonds and notes payable	
(15,601,724)	(16,826,370)	(63,530,374)	-	Net cash used for capital and related financing activities	
1,039,883	712,591	5,965,192	682,171	Cash flows from investing activities:	
1,039,883	712,591	5,965,192	682,171	Interest and dividends on investments	
37,457,965	3,528,345	60,787,552	2,686,552	Net cash provided by investing activities	
2,723,339	11,614,994	83,982,011	11,169,824	Net increase (decrease) in cash and cash equivalents	
\$ 40,181,304	\$ 15,143,339	\$ 144,769,563	\$ 13,856,376	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:	
\$ (217,800)	\$ (9,795,576)	\$ (2,879,249)	\$ 2,082,232	Operating income (loss)	
10,574	2,639,665	11,641,465	2,860	Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
-	(372,584)	2,517,367	-	Depreciation/amortization	
-	-	(1,115,208)	-	Change in assets and liabilities:	
5,492	463,330	1,436,476	(18,306)	(Increase) decrease in accounts receivable	
(5,492)	(463,330)	(1,639,711)	18,306	(Increase) decrease in prepaid expenses	
2,708,297	910,897	5,773,708	100,478	(Increase) decrease in deferred charges	
-	(17,289)	(9,446)	83,174	Increase (decrease) in notes payable	
964	117,044	166,096	38,043	Increase (decrease) in accounts payable	
(345)	18,511	37,043	12,124	Increase (decrease) in other payable	
-	468	(210,940)	-	Increase (decrease) in compensated absences payable	
(2,200)	270	(1,395,658)	-	Increase (decrease) in accrued wages payable	
-	368,532	368,532	-	Increase (decrease) in benefits payable	
	-	14,120	(274,232)	Increase (decrease) in escrow	
				Increase (decrease) in due to other funds	
				(Increase) decrease in claims payable	
2,717,290	3,665,514	17,583,844	(37,553)	Total adjustments	
\$ 2,499,490	\$ (6,130,062)	\$ 14,704,595	\$ 2,044,679	Net cash provided (used) by operating activities	

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

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 seven programs: The Santa Fe Civic Housing authority, Section 8 Housing, La Cieneguita, the Housing Development Corporation, the Cielo Azul, the Capital Projects, and Mainstream Voucher. The Santa Fe Civic Housing Authority is responsible for providing public housing services within the city limits. The Section 8 Housing and La Cieneguita 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 unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported 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, 2007

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

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

The City reports the following major governmental funds:

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

The ½% Special Revenue Gross Receipts Tax Fund accounts 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.

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 Sweeney Convention Center Fund, account for the operation of the City's convention center.

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal serve funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. In accounting and reporting for its proprietary operations, the City does not apply applicable FASB statements and Interpretations issued after November 3, 1989.

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. Prior period adjustments of discretely presented component unit

The Section 8 Voucher Fund is used to account for the resources and expenditures that are directly related to the US Housing and Urban Development's Section 8 program. In January 2006, HUD issued PIH 2006-03 that required that all Housing Authority's begin recording the annual approved budget authority as income in the period the budget was approved with any excess of revenue over expenses being reported as HAP Equity. As a result of PIH 2006-03 notice, amounts previously reported as deferred revenues are now required to be reported as income in the period of budget; Section 8 Voucher Fund beginning net assets for the business-type activities had to be restated as follows:

City of Santa Fe, New Mexico
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	Section 8 Voucher Fund	Statement of Net Assets
Net Assets - June 30, 2006	\$ 395,077	\$ 11,428,984
Prior Period Adjustments:		
Restatement	629,971	629,971
Net Assets - June 30, 2006 (as restated)	<u><u>\$ 1,025,048</u></u>	<u><u>\$ 12,058,955</u></u>

E. Assets, liabilities and net assets or equity

1. Deposits and investments

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

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

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

This provides for the following authorized investments:

1. United States Treasury Securities (Bills, Notes and Bonds).
2. Insured and/or collateralized (with securities of the U.S. Government, its agencies or instrumentalities) certificates of deposit of banks, savings and loan associations, and credit unions, pursuant to State Board of Finance Collateral Policies.
3. Other securities issued by the United States government or its agencies or instrumentalities that are either direct obligations of the United States, the Federal Home Loan Mortgage Corp., the Federal National Mortgage Assoc., the Federal Home

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Loan Bank, the Federal Farm Credit Bank, or the Student Loan Marketing Assoc., or are backed by the full faith and credit of the United States Government.

4. Money market funds that are registered with the SEC. carry an AAA rating, invest entirely in U.S. government and/or U.S. government agency securities (as defined above), and maintain total asset size of not less than \$100,000,000.
5. Investments in the New Mexico Local Government Investment Pool (NM LGIP)
 - (a) The investments are valued at fair value based on quoted market prices as of the evaluation date;
 - (b) The NM LGIP is not SEC registered, but does maintain an AAAM rating (highest rating for pools) from Standard and Poor's. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments;
 - (c) The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the accounting entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested; and
 - (d) Participation in the Local Government Investment Pool is voluntary.
6. 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

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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 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. Restricted Assets

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

5. Capital assets

Capital assets, which include property, plant, furniture, art, software, equipment, vehicles, and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In fiscal year 2006-2007 the City increased the

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cost threshold from \$1,000 to \$5,000. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets, if purchased or constructed, are recorded at historical costs or estimated historical cost if original cost was not available. Donated capital assets are recorded at estimated fair value at the date of donation. City land acquired prior to 1987 was primarily by land grant or donation and is estimated to be 4,217 acres. Because original values are unknown, the parcels are valued at one dollar each.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense, net of amortization, incurred by the Water Management during the current fiscal year was \$3,835,377. There was no interest incurred 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:

<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		

6. Compensated absences

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

7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statement, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and

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amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. Fund equity

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

9. Net Assets

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

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

Restricted assets for the City's bond issues, as defined in the associated bond covenants, are used for the payment of debt service (one-twelfth of principal, interest or both), and to fund reserve accounts to be used for final debt service payments. In addition, the City obtains loans from authorized State agencies for capital projects, the loan documents of which occasionally require a debt service fund containing capitalized interest used for semi-annual debt service payments, and a reserve fund for use as the final debt service payment. The City also has received privately donated endowment funds for the Southside Library, expenditure of which is limited to interest by the donor and by City resolution.

Unrestricted Assets represent unrestricted liquid assets.

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

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10. Comparative Data/Reclassifications

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

11. Use of Estimates

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

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the \$ 191,737,244 difference are as follows:

Bonds Payable	\$ 164,345,000
Plus: Bond premuim (to be amortized as interest expense)	5,264,024
Capital Leases Payable	770,795
Intergovernmental Notes Payable	16,179,674
Sub - Total	186,559,493
Compensated Absences	5,177,751
Net Adjustment to reduce <i>fund balance - total governmental funds</i>	<u><u>\$ 191,737,244</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

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allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$ 10,318,377 are as follows:

Capital Outlay	\$ 22,118,847
Less: Capital Outlay-Inventory Exempt	(3,845,167)
Depreciation Expense	<u>(7,955,303)</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>\$ 10,318,377</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 (\$2,209,920) difference are as follows:

Debt issued or incurred:	
Issuance of revenue bonds plus premium	\$ (25,725,088)
Deferred bond costs	612,356
Principal Repayments:	
Revenue bond debt	22,495,000
Arbitrage Rebate Payable	3,805
Capital lease payments	263,146
NMFA and HUD Loan agreement payments	<u>140,861</u>
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>\$ (2,209,920)</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 \$(143,909) difference are as follows:

Compensated Absences	\$ (324,034)
Interest Payable	31,636
Amortization of bond premiums	350,198
Amortization of deferred charges	<u>(201,709)</u>
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>\$ (143,909)</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.

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

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

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

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

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

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

The appropriated budget is prepared by fund, function and division. The City manager may approve requested transfers of appropriations within a fund for amounts less than \$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 function level for the general fund, the fund level for special revenue and capital improvement funds and at the division level for the proprietary funds. The City council approved supplemental budgetary appropriations during the fiscal year, primarily for new grant awards and additional project funds, which did not materially affect cash reserves of related funds.

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

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B. Excess of expenditures/expenses over appropriations

For the year ended June 30, 2007, expenditures/expenses exceeded appropriations in the following funds:

The Tierra Contenta Fund, reported as a Special Revenue Fund, is reporting excess expenses over appropriations of \$76,503. This deficit was caused by the traffic signal light being completed by a third party. The balance of the amount over-expended was funded by available cash balance.

The Genoveva Chavez Community Center (GCCC) Fund, reported as an Enterprise Fund is reporting excess expenses over appropriations of \$122,525. This deficit is due to current year depreciation which is a non budget item.

The Union Sick Leave Bank Fund, reported as an Internal Service Fund, is reporting excess expenses over appropriations of \$2,355. This deficit was caused by an increase in the amount of sick leave used by union members than originally anticipated. The balance of the amount over-expended was funded by available cash balance.

The Section 8 Voucher Fund, reported as a Discrete Component Unit Fund, is reporting excess of expenses over appropriations of \$17,818. This deficit was caused by greater than expected community welfare operating costs. The balance amount over-expended was funded by available cash balance.

C. Deficit fund equity

The Municipal Recreation Complex, reported as an Enterprise Fund, has deficit fund equity of \$7,879,805 as of June 30, 2007. 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 Environmental Services Program, reported as a Special Revenue Fund, has deficit fund equity of \$1,189 as of June 30, 2007. The deficit is a result of an approval of a pending receivable.

The Cielo Azul, reported as a Component Unit Enterprise Fund, has deficit fund equity of \$55,737. 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 \$40,731,243 and the year-end bank balance was \$44,216,512. The total of demand deposits and short term-term

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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.

The carrying amount of deposits for the Housing Authority, presented as a component unit, was \$2,039,546 and the bank balance was \$2,127,162. All bank balances were covered by Federal Depository Insurance or by collateral held by the Housing's agent in the Housing Authority's name.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2007 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. Housing had custodial credit risk associated with \$332,480 in assets.

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

B. Investments

As of June 30, 2007, the City had the following investments and maturities:

	Fair Value	Less than 1 year	1 - 3 years	3 - 5 years	5 - 7 years
U. S. Government Agency bonds	\$ 71,895,008	\$ 31,745,851	\$ 32,518,448	\$ 6,979,200	\$ 651,509
NM Municipal bonds	2,415,144	-	2,140,144	275,000	-
Forward Purchase Agreements	106,776	106,776	-	-	-
	<u>74,416,928</u>	<u>\$ 31,852,627</u>	<u>\$ 34,658,592</u>	<u>\$ 7,254,200</u>	<u>\$ 651,509</u>
Money Market Funds	90,660,859				
NM LGIP	33,000,000				
Forward Purchase Agreements Cash	26,348				
Total Investments	<u>\$ 198,104,135</u>				

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits portfolio maturities to five years or less, though investments held to accommodate debt reserve requirements may have longer maturities. It further manages exposure by limiting the weighted average maturity of its investment portfolio to less than one year. The New Mexico Local Government Investment Pool at June 30, 2007 had a weighted average maturity of 38.31 days.

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

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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 Local Government Investment Pool, and New Mexico municipal securities. Also in compliance with the City Council approved Investment Policy, the City does not purchase any municipal, U.S. agency or instrumentality, money market or other allowed investment carrying less than the highest rating offered by Standard and Poors, Moody's and/or Fitch.

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

The following table lists the fair value of securities and money market/pools in the City's portfolio as of June 30, 2007 with their respective percent of the portfolio, weighted average maturity and ratings. The City purchases FFCB, FHLB, FHLMC, FNMA and GNMA agencies primarily. The percentage distribution among securities changes constantly throughout the fiscal year. The Wells Fargo Bank money market account serves as the repository for cash derived from matured securities and available proceeds are continuously reinvested into securities.

<u>Investment</u>	<u>Fair Value</u>	<u>% of Portfolio</u>	<u>WAM</u>	<u>Rating</u>
NM LGIP	33,000,000	16.66%	0.11	AAAm
WFB Adv. Govt. Money Market	48,447,447	24.46%	0.05	AAAm
BlackRock	13,500,000	6.81%	0.02	AAAm
Federated	13,846,536	6.99%	0.80	AAAm
Fidelity	15,000,000	7.57%	0.03	AAAm
US Agencies	70,092,422	35.38%	1.38	AAA
Private Export Funding Corp.	1,150,357	0.58%	0.04	AAA
GNMAs	652,229	0.33%	9.18	AAA
NM Municipals - Taxable	1,447,961	0.73%	1.87	AAA
NM Municipals - Tax Exempt	967,183	0.49%	1.53	AAA
TOTAL	198,104,135	100.00%	0.65	

The City held uninsured deposits of \$37,130,393 at June 30, 2007, of which 95% resided at Wells Fargo Bank, the City's primary financial institution. All uninsured funds were collateralized in compliance with State of New Mexico statute.

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

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The Housing Authority, presented as a component unit, had no at-risk investments at June 30, 2007.

C. Receivables

Receivables at June 30, 2007 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% GRT Special Rev	1/2% CIP GRT	Debt Service	Waste water Mgmt	Water Mgmt	MRC	Railyard Property	Sweeney Center	Nonmajor and Other Funds	Total
Receivables:											
Taxes	\$ 10,387,409	\$ 2,762,594	\$ 2,778,594	\$ -	\$ -	\$ 1,348,556	\$ -	\$ -	\$ -	\$ 469,838	\$ 17,746,991
Assessments	161,488	-	-	-	-	-	-	-	-	-	161,488
Grants	33,687	-	-	-	-	981,897	-	2,047,837	-	5,086,534	8,149,955
Accounts	-	-	-	-	1,758,330	6,968,179	125,860	-	-	2,001,735	10,854,104
Interest	104,722	6,205	-	110,368	95,156	288,830	668	64,373	216,834	403,445	1,290,601
Ambulance	6,503,446	-	-	-	-	-	-	-	-	-	6,503,446
Other	44,366	-	-	-	-	-	-	-	-	3,121,374	3,165,740
Gross Receivables	17,235,118	2,768,799	2,778,594	110,368	1,853,486	9,587,462	126,528	2,112,210	216,834	11,082,926	47,872,325
Less: Allowance											
Uncollectible:	(2,035,505)	-	-	-	(450,912)	(1,569,432)	-	-	-	(384,137)	(4,439,986)
Total Primary Government	\$ 15,199,613	\$ 2,768,799	\$ 2,778,594	\$ 110,368	\$ 1,402,574	\$ 8,018,030	\$ 126,528	\$ 2,112,210	\$ 216,834	\$ 10,698,789	\$ 43,432,339
Component Units:											
Grants and tenants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 256,775	\$ 256,775
Other	-	-	-	-	-	-	-	-	-	36,840	36,840
Total Component Units:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,615	\$ 293,615

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

	Deferred
Land Sale Contract - (Special Revenue)	\$ 2,703,129
Special Assessments-(Special Revenue)	74,775
Special Assessments-(General Fund)	8,320
Reimbursement of Gas line extension - (General Fund)	43,779
Liquor Licenses - (General Fund)	137,177
Total Unearned Revenue for Governmental Funds	<u>\$ 2,967,180</u>

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D. Capital assets

Capital asset activity for the year ended June 30, 2007 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 162,499,280	\$ -	\$ -	\$ 162,499,280
Construction in Progress	30,748,118	14,779,829	(21,322,107)	24,205,840
Art	922,920	-	-	922,920
Total Capital Assets not being Depreciated	194,170,318	14,779,829	(21,322,107)	187,628,040
Capital Assets being Depreciated:				
Buildings	33,336,922	9,156,597	-	42,493,519
Improvements	18,877,006	408,266	-	19,285,272
Equipment, Machinery, Utility, Systems	15,229,958	511,909	(1,939,003)	13,802,864
Furniture and Fixtures	629,039	-	(26,082)	602,957
Vehicles	14,785,299	1,975,873	(891,176)	15,869,996
Data Processing and Software	5,972,545	748,554	(112,883)	6,608,216
Traffic Signals	20,727,445	1,024,632	-	21,752,077
Streets	165,550,764	9,032,354	-	174,583,118
Bridges	-	1,954,017	-	1,954,017
Total Capital Assets being Depreciated	275,108,978	24,812,202	(2,969,144)	296,952,036
Less: Accumulated Depreciation for:				
Buildings	(6,992,216)	(641,925)	-	(7,634,141)
Improvements	(12,707,286)	(1,105,106)	-	(13,812,392)
Equipment and Machinery	(11,130,636)	(1,314,744)	1,838,911	(10,606,469)
Furniture and Fixtures	(507,034)	(21,686)	26,082	(502,638)
Vehicles	(10,262,202)	(1,086,084)	784,475	(10,563,811)
Data Processing and Software	(4,066,737)	(623,281)	106,752	(4,583,266)
Traffic Signals	(17,610,835)	(847,434)	-	(18,458,269)
Streets	(139,838,894)	(2,308,807)	-	(142,147,701)
Bridges	-	(9,096)	-	(9,096)
Total Accumulated Depreciation	(203,115,840)	(7,958,163)	2,756,220	(208,317,783)
Total Capital Assets being Depreciated	71,993,138	16,854,039	(212,924)	88,634,253
Governmental Activities Capital Assets	\$ 266,163,456	\$ 31,633,868	\$ (21,535,031)	\$ 276,262,293

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 26,966,063	\$ -	\$ -	\$ 26,966,063
Construction in Progress	52,993,909	53,270,676	(355,096)	105,909,489
Art	180,971	-	-	180,971
Total Assets not being Depreciated	80,140,943	53,270,676	(355,096)	133,056,523
Capital Assets being Depreciated:				
Buildings and Structures	57,511,411	355,096	-	57,866,507
Improvements	107,822,307	125,417	(2,064)	107,945,660
Sewerlines	21,120,966	-	-	21,120,966
Equipment and Machinery	12,595,541	737,351	(320,114)	13,012,778
Furniture and Fixtures	797,740	-	(3,612)	794,128
Vehicles	16,920,038	1,722,916	(71,869)	18,571,085
Intangible Plant	57,625	-	-	57,625
Data Processing and Software	2,479,949	75,804	(31,846)	2,523,907
Total Assets being Depreciated	219,305,577	3,016,584	(429,505)	221,892,656
Less Accumulated Depreciation for:				
Buildings and Structures	(20,713,341)	(938,649)	-	(21,651,990)
Improvements	(48,919,967)	(6,262,378)	-	(55,182,345)
Sewerlines	(12,111,880)	(488,382)	-	(12,600,262)
Equipment and Machinery	(11,021,444)	(720,109)	320,051	(11,421,502)
Furniture and Fixtures	(666,477)	(43,172)	2,412	(707,237)
Vehicles	(11,360,386)	(1,586,217)	71,869	(12,874,734)
Intangible Plant	(57,625)	-	-	(57,625)
Data Processing and Software	(1,660,915)	(221,131)	31,846	(1,850,200)
Total Accumulated Depreciation	(106,512,035)	(10,260,038)	426,178	(116,345,895)
Total Capital Assets being Depreciated	112,793,542	(7,243,454)	(3,327)	105,546,761
Business-type Activities Capital Assets	\$ 192,934,485	\$ 46,027,222	\$ (358,423)	\$ 238,603,284

City of Santa Fe, New Mexico
Notes to the Financial Statements
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Discretely presented component unit:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets not being Depreciated:				
Land	\$ 835,152	\$ -	\$ -	\$ 835,152
Construction In Progress	498,786	753,043	(692,727)	559,102
Total Capital Assets not being Depreciated	1,333,938	753,043	(692,727)	1,394,254
Capital Assets being Depreciated:				
Buildings and Improvements	26,122,237	745,518	-	26,867,755
Furniture and Fixtures	243,759	-	-	243,759
Vehicles	145,598	53,916	-	199,514
Machinery and Equipment	137,879	57,430	-	195,309
Total Capital Assets being Depreciated	26,649,473	856,864	-	27,506,337
Less: Accumulated Depreciation:	(15,980,330)	(1,202,449)	-	(17,182,779)
Total Capital Assets being Depreciated, Net	10,669,143	(345,585)	-	10,323,558
Discretely Presented Component Unit Capital Assets, Net	<u><u>\$ 12,003,081</u></u>	<u><u>\$ 407,458</u></u>	<u><u>\$ (692,727)</u></u>	<u><u>\$ 11,717,812</u></u>

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

Governmental Activities:

General Government	\$ 1,724,656
Public Safety	461,529
Highways and Street, excluding depreciation of general infrastructure assets	5,461,431
Community Welfare	76,922
Culture and Recreation	230,765
Subtotal	<u>7,955,303</u>
Capital Assets held by the City's Internal Service Funds are charged to the various functions based on their usage of the Assets	2,860
Total Depreciation Expense - Governmental Activities	<u><u>\$ 7,958,163</u></u>

Business - Type Activities:

Sweeney Convention Center	\$ 10,574
Parking Operations	107,049
Solid Waste Management	831,431
Waste Water Management	2,687,484
Water Management	3,512,978
Municipal Recreation Center	1,409,337
Genoveva Chavez Community Center	529,156
Airport	297,043
Transit Operations	874,986
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 10,260,038</u></u>

Construction commitments:

The City has active construction projects as of June 30, 2007. The projects include street and highway construction, parks and recreation, community welfare, municipal facilities, airport

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

improvements, and water division facilities improvements, waste water management and rail yard infrastructure. At year end the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitments
Street and Highway Construction	\$ 26,840,492	\$ 615,208
Parks and Recreation	16,955,317	577,934
Municipal Facilities Improvements	2,465,266	103,602
Railyard Infrastructure	9,931,548	3,260,152
Airport Improvements	12,433,940	982,079
Community Welfare	936,814	277,836
Wastewater Management	86,972	53,418
Water Division Improvements	18,663,248	2,888,981
Convention Center	20,908,725	27,676,117
Total	\$ 109,222,322	\$ 36,435,327

The commitment for streets and highways is being financed by grants from Federal Highway Administration, New Mexico Highway and Transportation Department, New Mexico Department of Finance and Administration, gross receipts tax revenue bonds, and existing resources from aerial photo fund, sewer line extension fund, economic development fund and Tierra Contenta fund, 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 Railyard Infrastructure is being financed by notes payable from the New Mexico Finance Authority. The commitment for the Airport is financed by the Federal Aviation Administration, bond issue and capital improvement project fund and from the New Mexico Highway and Transportation Department. Community welfare is being financed by a grant from the New Mexico State Agency on Aging. Commitments for the Waste water treatment facility are financed 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 Finance Authority. Commitment for the Convention Center is being financed by loans from the New Mexico Finance Authority and transfers from the Convention Center-Lodgers Tax Fund.

E. Endowment

The City of Santa Fe received a \$250,000 gift for which the principal must remain intact in perpetuity. The principal of these funds are invested to generate distributable income for the Southside Public Library to be used for operation and maintenance of the building.

City of Santa Fe, New Mexico
Notes to the Financial Statements
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F. Inter-fund receivables, payables, and transfers

The composition of interfund balances as of June 30, 2007, is as follows:

	Due From Other Funds	Due To Other Funds
Primary Government:		
General Fund		
Special Revenue Funds:		
Environmental Services	\$ 219,919	\$ -
Affordable Housing	53,942	-
Senior Citizen Grants	130,004	-
Capital Improvement Funds:		
Library Grants	107,695	-
Enterprise Funds:		
Airport	368,532	-
Special Revenue Funds:		
General Fund	-	403,865
Capital Projects Funds		
General Fund	-	107,695
Enterprise:		
Water Management	19,624,545	-
Enterprise Funds		
General Fund:	-	368,532
Capital Project Funds:		
1/2% Gross Receipts Tax	-	19,624,545
Total All Funds	\$ 20,504,637	\$ 20,504,637
Component Unit:		
Enterprise Funds		
Housing Authority	\$ -	\$ 153,379
Santa Fe Housing Development Corporation:	170,508	500,000
Section 8 - Voucher	22,211	224,961
Mainstream Voucher	135,423	-
Cielo Azul	504,000	-
La Cieneguita	46,198	-
Total All Funds	\$ 878,340	\$ 878,340

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

Inter-fund transfers:

Transfer In From								
Fund Disbursing	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service		Total
General Fund	\$ -	\$ 3,490,258	\$ 221,000	\$ 145,000	\$ 177,633	\$ 6,316		\$ 4,040,207
Special Revenue	3,897,633	4,415,957	467,355	12,978	-	9,000		8,802,923
Capital Projects	-	1,912,273	2,206,591	6,603,325	33,760	-		10,755,949
Debt Service	-	6,855,470	9,097,924	-	1,131,786	-		17,085,180
Enterprise Funds	113,000	18,093,718	1,600,399	57,842,318	10,000	24,982		77,684,417
Internal Service	-	-	-	-	-	-		-
Total	\$ 4,010,633	\$ 34,767,676	\$ 13,593,269	\$ 64,603,621	\$ 1,353,179	\$ 40,298		\$ 118,368,676

Transfer Out To								
Fund Disbursing	General Fund	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service		Total
General Fund	\$ -	\$ 3,897,633	\$ -	\$ -	\$ 113,000	\$ -		\$ 4,010,633
Special Revenue	3,490,258	4,415,957	1,912,273	6,855,470	18,093,718	-		34,767,676
Capital Projects	221,000	467,355	2,206,591	9,097,924	1,600,399	-		13,593,269
Debt Service	145,000	12,978	6,603,325	-	57,842,318	-		64,603,621
Enterprise Funds	177,633	-	33,760	1,131,786	10,000	-		1,353,179
Internal Service	6,316	9,000	-	-	24,982	-		40,298
Total	\$ 4,040,207	\$ 8,802,923	\$ 10,755,949	\$ 17,085,180	\$ 77,684,417	\$ -		\$ 118,368,676

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

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

G. Leases

Capital Leases

The City has entered into a lease agreement as lessee for financing the acquisition of communications equipment for the general fund. This lease agreement qualifies as a capital

City of Santa Fe, New Mexico
Notes to the Financial Statements
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lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payment as of the inception date.

The assets acquired through capital leases are as follows:

Equipment	\$ 1,033,941
Less: Accumulated Depreciation	(263,146)
Total	<u><u>\$ 770,795</u></u>

The future minimum lease obligation and the net present value of the minimum lease payments as of June 30, 2007, are as follows;

Years Ending June 30,	General Fund
2008	\$ 263,146
2009	263,146
2010	263,146
Total Minimum Lease Payment	789,438
Less: Amount Representing Interest	(18,643)
Present Value of Minimum Lease Payments	<u><u>\$ 770,795</u></u>

Operating Leases

The City has operating leases for certain buildings, parking lots, towers, and data processing equipment. The operating leases are renewable annually contingent upon available appropriations. Total costs for such leases were \$1,079,311 for year ended June 30, 2007. The minimum annual payments are as follows:

Fiscal Year	General Fund	Parking	Risk	Water	MRC	CIP Adm
2007	\$ 455,426	\$ 430,420	\$ 58,382	\$ 7,594	\$ 2,329	\$ 125,160
2008	118,411	68,867	58,382	19,308	2,329	125,160
Total	<u><u>\$ 573,837</u></u>	<u><u>\$ 499,287</u></u>	<u><u>\$ 116,764</u></u>	<u><u>\$ 26,902</u></u>	<u><u>\$ 4,658</u></u>	<u><u>\$ 250,320</u></u>

H. Long-Term Debt

Long-term debt of the city at June 30, 2007 consisted of revenue bonds payable solely from gross receipts tax revenues, revenue bonds payable solely from revenues of enterprise funds, notes payable from gross receipts tax revenues, notes payable from revenues of enterprise funds, capital leases, and compensated absences payable. During fiscal year 2005-2006 the City of Santa Fe issued bonds through the NMFA for the Convention Center in the amount of \$42,200,000. The bonds mature June 2035 and carry interest rates from 4.0% to 5.0%. The Convention Center debt will be repaid from lodger's tax revenues. Long-term debt of the component units consist of revenue bonds payable solely from the rental revenues in the Santa Fe Housing Development Corporation.

City of Santa Fe, New Mexico
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Purpose	Interest Rate	Amount
Governmental activities	2.75 - 6.00%	\$ 149,900,000
Governmental activities - refunding	4.25 - 5.00%	14,445,000
Business-type activities	3.50 - 8.00%	17,840,000
Business-type activities - refunding	4.25 - 5.00%	49,790,000

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

Years Ended June 30	Governmental Activities		Business - Type Activities	
	Principal	Interest	Principal	Interest
2008	\$ 9,225,000	\$ 7,918,908	\$ 4,700,000	\$ 3,305,146
2009	9,700,000	7,508,045	2,840,000	2,960,871
2010	9,815,000	7,085,695	2,955,000	2,845,684
2011	9,815,000	6,630,284	2,940,000	2,723,896
2012	10,405,000	6,091,021	3,065,000	2,600,921
2013 - 2017	52,660,000	22,856,763	17,680,000	10,695,167
2018 - 2022	34,625,000	11,085,925	21,240,000	6,014,081
2023 - 2027	9,620,000	5,683,875	12,210,000	1,135,644
2028 - 2032	10,690,000	3,422,850	-	-
2033 - 2037	7,790,000	752,163	-	-
Total	\$ 164,345,000	\$ 79,035,529	\$ 67,630,000	\$ 32,281,410

On July 1, 2005 the City of Santa Fe transferred the Retiree Health Care Plan to the New Mexico Retiree Health Care Authority (NMRHCA). In order to participate into the NMRHCA plan the City must contribute \$2,886,587 into the plan which represents the City's surplus amount. This amount was determined by using the NMRHCA Post-1997 Participation Employer/Employee contribution calculations. While the City originally planned to pay this amount off over three years, on May 16, 2007 it paid the outstanding balance in full.

Notes payable – Primary Government

The water management fund paid off three outstanding notes payable to New Mexico Finance Authority (NMFA) during FY 06-07 as part of the 2006D Water Refunding Bonds.

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. This note was retired August, 2006.

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. This note was retired August, 2006.

Note payable to NMFA issued on April 5, 2000 for the amount \$472,223 at 4.781% with a maturity date of April 2010 for the purchase of system control and data acquisition equipment. This note was retired August, 2006.

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

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

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

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

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

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

The following represents the status as of June 30, 2007.

Railyard Infrastructure	5,107,652
Railyard Infrastructure	579,025
Railyard Infrastructure	7,642,231
Railyard Infrastructure	892,227
	<hr/>
	14,221,135
Less: Trust Account Balances	(1,272,345)
Total Notes Payable	<hr/>
	12,948,790
Less: Current Portion	(140,903)
Total Long Term Notes Payable	<hr/>
	\$ 12,807,887

A 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.

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

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

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

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.

The following represents the status of the NMFA Fire Vehicle and Parking Garage loans, and the HUD loan as of June 30, 2007.

Fire Vehicles	\$ 895,087
Parking Garage Loan	14,986,587
HUD Section 108	298,000
	<hr/> 16,179,674
Less: Trust Account Balances	(882,058)
Total Notes Payable	<hr/> 15,297,616
Less: Current Portion	(142,698)
Total Long Term Notes Payable	<hr/> \$ 15,154,918 <hr/>

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

The debt service requirements to maturity for long term notes payable at June 30, 2007 are as follows:

Years Ended June 30	Governmental Activities		Business - Type Activities	
	Principal	Interest	Principal	Interest
2008	\$ 142,698	\$ 636,390	\$ 140,903	\$ 561,499
2009	161,971	634,099	265,142	558,662
2010	164,799	630,888	625,113	552,532
2011	503,148	627,108	647,043	532,306
2012	519,058	611,608	670,558	510,566
2013 - 2017	2,191,186	2,812,857	3,753,136	2,168,219
2018 - 2022	2,453,780	2,389,878	4,611,550	1,359,830
2023 - 2027	2,949,127	1,860,045	3,507,690	350,180
2028 - 2032	3,594,974	1,207,015	-	-
2033 - 2037	3,498,933	379,047	-	-
Total	\$ 16,179,674	\$ 11,788,935	\$ 14,221,135	\$ 6,593,794

Advance and current refunding

On July 31, 2006 the City of Santa Fe issued \$15,160,000 Gross Receipts Tax Refunding Bonds (Series 2006B) for the purpose of refunding the \$14,680,000 outstanding principal of the Series 1996B GRT bonds. The refunding was undertaken to allow the City to achieve a reduction in annual debt service requirement of \$802,160 and to achieve an economic gain of \$555,886.

Changes in long-term liabilities

The changes in long-term debt during the year ended June 30, 2007, are as follows:

	Oustanding July 1, 2006	Additions	Reductions	Oustanding June 30, 2007	Due Within One Year
Governmental Activities:					
Revenue Bonds Payable	\$ 161,900,000	\$ 24,940,000	\$ (22,495,000)	\$ 164,345,000	\$ 9,225,000
New Mexico Finance Authority Loans	16,021,535	-	(139,861)	15,881,674	141,698
HUD Section 108	299,000	-	(1,000)	298,000	1,000
New Mexico Retiree Health Care Authority Loan	1,583,446	-	(1,583,446)	-	-
Additional Deferred Amount (premium)	4,829,134	785,088	(350,198)	5,264,024	358,930
Compensated Absences	6,106,929	2,578,000	(2,453,998)	6,230,931	1,053,180
Arbitrage Rebate Payable	3,805	-	(3,805)	-	-
Capital Leases	1,033,941	-	(263,146)	770,795	263,146
Governmental Activity	191,777,790	28,303,088	(27,290,454)	192,790,424	11,042,954
Business - Type Activities:					
Water Revenue Bonds	55,905,000	49,790,000	(51,910,000)	53,785,000	3,995,000
Municipal Recreation Complex Revenue	14,515,000	-	(670,000)	13,845,000	705,000
New Mexico Finance Authority Loans	7,108,587	8,534,458	(1,421,910)	14,221,135	140,903
New Mexico Retiree Health Care Authority Loan	776,164	-	(776,164)	-	-
Compensated Absences	2,179,126	1,164,519	(998,423)	2,345,222	586,306
Business - Type Activity	\$ 80,483,877	\$ 59,488,977	\$ (55,776,497)	\$ 84,196,357	\$ 5,427,209

City of Santa Fe, New Mexico
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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, \$112,469 of internal service funds compensated absences is included in the above amounts. The amount \$1,053,180 of compensated absences, due within sixty days after year end is recorded within current liabilities in the governmental funds balance sheet statement, which is based on employees terminations and retirements. This is also the amount of compensated absences due within one year displayed as “long-term liabilities, due within one year” for the governmental activities on the government-wide statement of net assets

Notes and Bonds Payable – Component Unit

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 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 bonds payable debt at June 30, 2007, 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	\$ 2,220,000
Less: Current Portion	(130,000)
Total Long - Term bonds payable	<u><u>\$ 2,090,000</u></u>

Total aggregate maturing of the Santa Fe Housing Development Corporation's bonds payable debt at June 30, 2007, is as follows:

Years Ended		Principal	Interest
30-Jun			
2008	\$	130,000	\$ 131,550
2009		135,000	123,750
2010		145,000	115,500
2011		150,000	106,650
2012		165,000	97,350
2013 - 2017		975,000	325,500
2018		520,000	28,050
Total	<u><u>\$</u></u>	<u><u>2,220,000</u></u>	<u><u>\$ 928,350</u></u>

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

The Housing Authority entered in a note, a commercial mortgage with a bank, for the purpose of acquiring the Cielo Azul property for \$700,000 at 6% interest with a maturity date of October 2034.

The Housing Authority entered into a note, with a Santa Fe church, for the purpose of acquiring the Cielo Azul property for \$500,000 at 3% interest. No payment or interest or principal shall be required until October 2009.

The long-term notes payable debt at June 30, 2007, is as follows:

Commercial mortgage	\$ 677,016
Note to church	500,000
Accrued interest on note to church	25,300
Total debt	1,202,316
Less: 2008 payments	(9,970)
Total Long - Term debt	<u><u>\$ 1,192,346</u></u>

Total aggregate maturing of the notes payable debt at June 30, 2007, is as follows:

Years Ended 30-Jun	Commercial Mortgage		Commercial Mortgage	
	Principal	Interest	Principal	Interest
2008	\$ 9,970	\$ 40,391	\$ -	\$ -
2009	10,697	39,664	-	-
2010	11,357	39,004	500,000	75,000
2011	12,057	38,304	-	-
2012	12,697	37,664	-	-
2013 - 2017	76,731	175,074	-	-
2018 - 2022	103,506	148,299	-	-
2023 - 2027	139,627	112,178	-	-
2028 - 2032	188,335	63,470	-	-
2033 - 2035	112,039	8,345	-	-
Total	<u><u>\$ 677,016</u></u>	<u><u>\$ 702,393</u></u>	<u><u>\$ 500,000</u></u>	<u><u>\$ 75,000</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, 2007, \$4,730,000 of bonds outstanding are considered defeased.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

I. Segment information

Segment information reflects an activity reported as an enterprise fund or another stand-alone entity for which one or more revenue bonds or other revenue-backed debt instruments are outstanding based on a specific identifiable revenue stream pledged in support of the bonds. The City has 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:

Discretely Presented Component Unit

Condensed Statement of Net Assets June 30, 2007

	Housing Dev. Corp.	Cielo Azul	Total
Assets:			
Current Assets	\$ 2,169,454	\$ 180,578	\$ 2,350,032
Capital Assets	1,409,557	1,470,001	2,879,558
Total Assets	3,579,011	1,650,579	5,229,590
Liabilities:			
Current Liabilities	369,890	13,970	383,860
Noncurrent Liabilities	2,090,000	1,692,346	3,782,346
Total Liabilities	2,459,890	1,706,316	4,166,206
Net Assets:			
Unrestricted	1,929,564	(357,326)	1,572,238
Invested In Capital Assets, net of related Debt	(810,443)	301,589	(508,854)
Total Net Assets	\$ 1,119,121	\$ (55,737)	\$ 1,063,384

Condensed Statement of Revenues, Expenses, and changes in Net Assets June 30, 2007

	Housing Dev. Corp.	Cielo Azul	Total
Operating Revenues	\$ 676,345	\$ 138,204	\$ 814,549
Operating Expenses	(496,790)	(64,941)	(561,731)
Operating Income (loss)	179,555	73,263	252,818
Nonoperating Revenues (expense):	(54,897)	(38,751)	(93,648)
Capital Contributions	-	-	-
Change in Net Assets	124,658	34,512	159,170
Transfers In(Out)			
Beginning Net Assets, Restated	994,463	(90,249)	904,214
Ending Net Assets	\$ 1,119,121	\$ (55,737)	\$ 1,063,384

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

Condensed Statement of Cash Flows June 30, 2007

	Housing Dev. Corp.	Cielo Azul	Total
Net Cash Provided (used) by:			
Operating Activities	\$ 324,815	\$ 120,596	\$ 445,411
Capital and Related Financing Activities	(178,018)	-	(178,018)
Non Capital Financing Activities	(260,750)	(50,154)	(310,904)
Investing Activities	80,853	1,974	82,827
Net Increase (decrease)	(33,100)	72,416	39,316
Beginning Cash and Cash Equivalents	1,687,774	98,616	1,786,390
Ending Cash and Cash Equivalents	\$ 1,654,674	\$ 171,032	\$ 1,825,706

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, 2007; such inter-fund premiums did not exceed reimbursable expenditures.

The Risk Management Fund accounts for general liability, auto liability, public official errors and omissions and law enforcement liability through independent conventional insurance carriers. The City is self-insured for the first \$100,000 per public official errors and omissions and law enforcement liability claim and the first \$50,000 for general and auto liability claims.

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

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

The Retiree Health Care Fund accounts for the City's employer and employee contributions to the New Mexico Retiree Health Care Authority (NMRHCA). The Retiree Health Care Authority provides eligible retirees, their spouses, dependents, and surviving spouses and

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

dependents with health insurance. The City became a participating employer with the New Mexico Retiree Health Care Authority on July 1, 2005. The City is required to contribute 1.3% of total payroll, and active employees contribute .65% of their salary.

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

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

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

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payment	Balance at Fiscal Year End
2005 - 2006				
Risk Management Fund	\$ 2,494,000	\$ 1,587,133	\$ 1,476,133	\$ 2,605,000
Santa Fe Health Fund	1,577,307	10,225,792	10,426,152	1,376,947
Workers' Compensation Fund	1,750,000	1,683,627	1,078,627	2,355,000
Retiree Health Care Fund	404,981	1,666,324	1,666,324	404,981
	\$ 6,226,288	\$ 15,162,876	\$ 14,647,236	\$ 6,741,928
2006 - 2007				
Risk Management Fund	\$ 2,605,000	\$ 1,263,020	\$ 1,073,545	\$ 2,794,475
Santa Fe Health Fund	1,376,947	9,998,415	10,002,573	1,372,789
Workers' Compensation Fund	2,355,000	654,658	709,226	2,300,432
Retiree Health Care Fund	404,981	-	404,981	-
	\$ 6,741,928	\$ 11,916,093	\$ 12,190,325	\$ 6,467,696

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

organizations. In addition, the individual contracted to maintain the records for the Housing Development Fund is related by marriage to the executive director. The contract was awarded via competitive bid by the past executive director.

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

C. Contingent liabilities

The City receives significant financial assistance from federal and state sources in the form of grants and entitlements. The disbursements of the funds received are generally limited to specific compliance requirements as specified in the grant agreement. During the period under audit, the City also had its grants audited under the audit requirements of the Office of Management and Budgets Circular A-133 and the U. S. Department of Housing and Urban Development. The Federal agencies reserve the right to review the scope of the audit and conduct a follow-up review if deemed necessary. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable City fund. The City, however, believes that liabilities resulting from disallowed claims, if any, would not have a material effect on the City's financial position at June 30, 2007.

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.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

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.

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 2005-2006, the City's and Employee's contributions increased to 4.30% and .75% respectively.

The City's council passed an ordinance moving the City's Retiree Health Care Program into the state's program – New Mexico Retiree Health Care Authority (NMRHCA). Effective July 1, 2005, the City is a participant in the state's program and is required to submit 0.65% from the employee and 1.30% from the City. However, the City continued to collect an additional .10% from the employees and 2.622% from the City to cover regular claims for retirees still covered under the City until December 31, 2005, run-off claims up to March 31, 2007 and, surplus amount of \$2,886,587 to be paid to NMRHCA by July 2007. Retiree insurance premiums will be deducted from the retiree's monthly PERA pension check. Effective

City of Santa Fe, New Mexico
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June 30, 2007

January 1, 2006 the employees will be covered completely under the state's plan (NMRHCA) and the City's program will be defunct after final payment is made in July 2007. A financial report from the NM Retiree Health Care can be obtained from 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, NM 87107.

As of the year end, there were three hundred six 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.

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.

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, 2007, 2006, and 2005, were \$11,314,609, \$10,600,538, and \$10,725,681, 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

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

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, 2007, there are nine series of Industrial Revenue Bonds outstanding, of which two were issued prior to July 1, 1995. The aggregate principal amount payable for the six educational series issued after July 1, 1995, was \$52,230,000. The six 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 two series issued prior to July 1, 1995 could not be determined; however, their original issue amount totaled \$8,060,000. The eighth series in the principal amount of \$3,000,000 was issued in 1998 for the Tierra Contenta Corporation Project to finance the acquisition and construction of infrastructure improvements for a housing and commercial development.

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, 2007, 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 two 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 (1995 B-1 and B-2), 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.

H. Subsequent Events

On November 2, 2007, the City of Santa Fe secured from the New Mexico Finance Authority a combined grant (\$1,800,000) and loan (\$200,000) for the Buckman Surface Water Direct Diversion Project. The loan is to be repaid by June 2027.

It is anticipated that the City of Santa Fe will issue the 2008 GRT CIP bonds in Spring 2008 in the estimated amount not to exceed \$34,000,000. This amount includes principal of \$21,000,000 for CIP projects and up to \$10,000,000 additional funding for the Convention Center.

City of Santa Fe, New Mexico
Notes to the Financial Statements
June 30, 2007

On July 1, 2007, the City of Santa Fe issued \$45,000,000 in Industrial Revenue Bonds for the Ridgetop Road LLC Project for the acquisition of property and construction of a new headquarters for Thornburg Mortgage Advisory Corporation.

It is anticipated that in Spring 2008 the City of Santa Fe will issue additional Industrial revenue Bonds for the Tierra Contenta Corp. not to exceed \$3,000,000 for the purpose of infrastructure improvements and additions including the acquisition of water rights.

I. New Pronouncements

In June 2004, GASB issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45). This Statement addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other non-pension benefits that are commonly referred to as other postemployment benefits, or OPEB. This Statement requires that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in their basic financial statements. The City is currently evaluating the impact this Statement will have on the financial statements. The City will adopt this Statement for fiscal year ending June 30, 2008.

Supplementary Information

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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 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.

Major Governmental Fund

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

CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Special Revenue		Capital Projects		Totals
Assets					
Cash, investments and cash equivalents	18,575,066	\$	18,192,022	\$	36,767,088
Restricted cash, cash equivalents and investments:					
Restricted for endowment	250,000		-		250,000
Receivables:					
State-shared taxes	365,788		104,050		469,838
Grants	1,838,380		1,881,562		3,719,942
Interest	105,497		142,428		247,925
Other receivables (net of allowances)	3,121,374		-		3,121,374
Prepaid Expenses	11,575		-		11,575
Total assets	\$ 24,267,680	\$	20,320,062	\$	44,587,742
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 1,278,125	\$	2,144,824	\$	3,422,949
Compensated absences payable	228,453		48,906		277,359
Accrued wages payable	418,042		63,262		481,304
Due to other funds	403,865		107,695		511,560
Deferred unearned revenue	2,777,904		-		2,777,904
Deposits and escrows	412,568		123,000		535,568
Total current liabilities	5,518,957		2,487,687		8,006,644
Noncurrent liabilities:					
Other A/P			-		-
Total Noncurrent liabilities	-		-		-
Total liabilities	5,518,957		2,487,687		8,006,644
Fund balances:					
Reserved for encumbrances/endowment	2,689,162		-		2,689,162
Unreserved - undesignated	16,059,561		17,832,375		33,891,936
Total fund balances	18,748,723		17,832,375		36,581,098
Total liabilities and fund balances	\$ 24,267,680	\$	20,320,062	\$	44,587,742

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, 2007

	Special Revenue	Capital Projects	Totals
Revenues:			
Taxes:			
Gross receipts	\$ 1,922,480	\$ -	\$ 1,922,480
Cigarette	39,832	-	39,832
Motor	-	1,130,555	1,130,555
Lodgers	8,677,392	-	8,677,392
Property	1,670,952	-	1,670,952
Franchise	20,818	-	20,818
Intergovernmental revenues	5,173,680	2,674,049	7,847,729
Fees and charges for services	4,051,462	-	4,051,462
Sale of capital assets	28,793	-	28,793
Rents, royalties and concessions	137,368	-	137,368
Investment income	1,177,335	1,427,297	2,604,632
Land sales	267,786	-	267,786
Other revenues	636,871	216,033	852,904
Total revenues	23,804,769	5,447,934	29,252,703
Expenditures:			
Current:			
General government	4,676,749	356,356	5,033,105
Public safety	2,769,526	-	2,769,526
Public works	1,752,966	1,228,049	2,981,015
Community development	5,541,902	127,431	5,669,333
Culture and recreation	3,181,617	713,090	3,894,707
Total current expenditures	17,922,760	2,424,926	20,347,686
Capital outlay:			
General government	103,449	2,167,854	2,271,303
Public safety	1,350,933	-	1,350,933
Public works	460	9,137,658	9,138,118
Community development	74,212	14,700	88,912
Culture and recreation	445,494	7,010,822	7,456,316
Total capital outlay expenditures	1,974,548	18,331,034	20,305,582
Excess (deficiency) of revenues over expenditures	3,907,461	(15,308,026)	(11,400,565)
Other financing sources (uses):			
Transfers in	8,802,923	10,733,189	19,536,112
Transfers out	(14,739,504)	(1,456,539)	(16,196,043)
Total other financing sources (uses)	(5,936,581)	9,276,650	3,340,069
Net change in fund balances	(2,029,120)	(6,031,376)	(8,060,496)
Fund balances, beginning of year	20,777,843	23,863,751	44,641,594
Fund balances, end of year	\$ 18,748,723	\$ 17,832,375	\$ 36,581,098

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CITY OF SANTA FE, NEW MEXICO
Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue
June 30, 2007

Assets

	Cash, Investments and Cash Equivalents	Taxes Receivable	Grants Receivable	Interest Receivable	Other Receivables	Prepaid Expenses	Total Assets	Accounts Payable
Primary Government:								
General Government:								
Capital Equipment Reserve	\$ 47,366	\$ -	\$ -	\$ 347	\$ -	\$ 11,575	\$ 59,288	\$ 4
Franchise Fee	64,654	5,151	-	-	-	-	69,805	-
Economic Development	2,120,966	-	227,000	12,028	272,211	-	2,632,205	102,309
Lodgers' Tax Fund	4,885,881	-	7,409	29,807	-	-	4,923,097	397,812
Mortgage Refund Residual	-	-	-	-	-	-	-	-
Santa Fe Business Incubator	29,482	-	-	164	-	-	29,646	-
Total General Government	7,148,349	5,151	234,409	42,346	272,211	11,575	7,714,041	500,125
Public Safety:								
Animal Services	90,881	-	-	570	-	-	91,451	4,129
Emergency Service Grants	1,491,991	14,080	18,576	8,716	-	-	1,533,363	68,768
Environmental Services	-	-	220,050	-	-	-	220,050	-
Law Enforcement Grants	969,753	343,291	26,954	4,273	-	-	1,344,271	64,099
Total Public Safety	2,552,625	357,371	265,580	13,559	-	-	3,189,135	136,996
Public Works:								
City Drainage Projects	189,006	-	-	1,106	85,197	-	275,309	1,952
Impact Fee Projects	576,341	-	-	3,276	-	-	579,617	11,485
Impact Fee	3,504,463	-	-	20,063	-	-	3,524,526	-
Transportation Grants	404,430	-	270,510	1,795	-	-	676,735	8,864
Total Public Works	4,674,240	-	270,510	26,240	85,197	-	5,056,187	22,301
Community Development:								
Community Development Grants	283,591	-	570,118	3,173	56,264	-	913,146	242,242
Affordable Housing Program	-	-	60,758	-	538	-	61,296	5,958
Senior Citizen Grants	-	-	255,409	-	4,035	-	259,444	1,211
Total Community Development	283,591	-	886,285	3,173	60,837	-	1,233,886	249,411
Culture and Recreation:								
Historic Preservation Grant	63,129	-	3,500	316	-	-	66,945	4,750
Library	573,476	-	138,517	-	-	-	711,993	22,169
NEA Grants	27,302	-	-	-	-	-	27,302	2,969
Plaza Use	27,501	-	-	150	-	-	27,651	-
Public Facilities Purchase	40,339	-	22,500	281	-	-	63,120	12,500
Quality of Life Project	440,936	-	-	2,506	-	-	443,442	17,878
Recreation Grants	946,464	3,266	17,079	5,422	-	-	972,231	277,835
Tierra Contenta	1,943,798	-	-	10,915	2,703,129	-	4,657,842	23,837
Special Recreation Leagues	103,316	-	-	589	-	-	103,905	7,354
Total Culture and Recreation	4,166,261	3,266	181,596	20,179	2,703,129	-	7,074,431	369,292
Totals - June 30, 2007	\$ 18,825,066	\$ 365,788	\$ 1,838,380	\$ 105,497	\$ 3,121,374	\$ 11,575	\$ 24,267,680	\$ 1,278,125

Liabilities						Fund Balances			
Compensated Absences Payable	Accrued Wages Payable	Due to Other Funds	Deferred Unearned Revenue	Deposits/ Escrows	Total Liabilities	Reserved	Unreserved	Total Fund Balances	Total Liabilities and Fund Balances
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 12,432	\$ 46,852	\$ 59,284	\$ 59,288
-	-	-	-	-	-	-	69,805	69,805	69,805
2,246	-	-	74,775	338,822	518,152	60,057	2,053,996	2,114,053	2,632,205
91,404	49,185	-	-	6,275	544,676	293,614	4,084,807	4,378,421	4,923,097
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	29,646	29,646	29,646
93,650	49,185	-	74,775	345,097	1,062,832	366,103	6,285,106	6,651,209	7,714,041
-	-	-	-	-	4,129	21,481	65,841	87,322	91,451
-	24,620	-	-	-	93,388	956,411	483,564	1,439,975	1,533,363
1,320	-	219,919	-	-	221,239	-	(1,189)	(1,189)	220,050
82,122	59,310	-	-	-	205,531	31,764	1,106,976	1,138,740	1,344,271
83,442	83,930	219,919	-	-	524,287	1,009,656	1,655,192	2,664,848	3,189,135
33,959	10,656	-	-	-	46,567	20,500	208,242	228,742	275,309
-	-	-	-	-	11,485	-	568,132	568,132	579,617
-	-	-	-	8,000	8,000	-	3,516,526	3,516,526	3,524,526
15,399	35,714	-	-	-	59,977	18,140	598,618	616,758	676,735
49,358	46,370	-	-	8,000	126,029	38,640	4,891,518	4,930,158	5,056,187
-	3,008	-	-	59,471	304,721	623,016	(14,591)	608,425	913,146
-	-	53,942	-	-	59,900	51,215	(49,819)	1,396	61,296
487	85,112	130,004	-	-	216,814	89,005	(46,375)	42,630	259,444
487	88,120	183,946	-	59,471	581,435	763,236	(110,785)	652,451	1,233,886
-	-	-	-	-	4,750	3,250	58,945	62,195	66,945
1,516	17,882	-	-	-	41,567	253,177	417,249	670,426	711,993
-	-	-	-	-	2,969	20,426	3,907	24,333	27,302
-	-	-	-	-	-	1,314	26,337	27,651	27,651
-	-	-	-	-	12,500	35,000	15,620	50,620	63,120
-	13,553	-	-	-	31,431	53,125	358,886	412,011	443,442
-	119,002	-	-	-	396,837	25,149	550,245	575,394	972,231
-	-	-	2,703,129	-	2,726,966	113,162	1,817,714	1,930,876	4,657,842
-	-	-	-	-	7,354	6,924	89,627	96,551	103,905
1,516	150,437	-	2,703,129	-	3,224,374	511,527	3,338,530	3,850,057	7,074,431
\$ 228,453	\$ 418,042	\$ 403,865	\$ 2,777,904	\$ 412,568	\$ 5,518,957	\$ 2,689,162	\$ 16,059,561	\$ 18,748,723	\$ 24,267,680

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Year Ended June 30, 2007

Revenues										
	Taxes	Inter-Governmental Revenue	Fees and Charges for Services	Rents, Royalties and Concessions	Investment Income	Sale of Capital Assets/Land	Other	Total Revenue		
Primary Government:										
General Government:										
Capital Equipment Reserve	\$ -	\$ -	\$ -	\$ -	\$ 4,285	\$ 28,793	\$ -	\$ 33,078		
Franchise Fee	20,818	-	-	-	-	-	-	20,818		
Economic Development	-	249,896	-	137,368	127,738	-	-	515,002		
Lodger's Tax Fund	8,677,392	60,952	1,375	-	438,568	-	14,762	9,193,049		
Mortgage Refund Residual	-	-	-	-	-	-	-	-		
Railyard Properties	-	-	-	-	-	-	-	-		
Santa Fe Business Incubator	-	-	-	-	1,575	-	-	1,575		
Total General Government	8,698,210	310,848	1,375	137,368	572,166	28,793	14,762	9,763,522		
Public Safety:										
Animal Services	-	-	22,772	-	5,468	-	21,110	49,350		
Emergency Service Grants	1,670,952	418,952	496,415	-	55,745	-	-	2,642,064		
Environmental Services	-	76,125	-	-	-	-	-	76,125		
Law Enforcement Grants	1,922,480	299,250	277,025	-	38,147	-	214,072	2,750,974		
Total Public Safety	3,593,432	794,327	796,212	-	99,360	-	235,182	5,518,513		
Public Works:										
Resource Conservation	-	-	-	-	2,384	-	-	2,384		
City Drainage Projects	-	-	469,540	-	11,145	-	-	480,685		
Impact Fee Projects	-	-	-	-	30,851	-	-	30,851		
Impact Fee	-	-	2,326,026	-	221,069	-	-	2,547,095		
Transportation Grants	-	449,214	34,680	-	17,232	-	255	501,381		
Total Public Works	-	449,214	2,830,246	-	282,681	-	255	3,562,396		
Community Development:										
Community Development Grants	-	1,554,491	196,027	-	27,486	-	90	1,778,094		
Affordable Housing Program	-	60,758	-	-	-	-	-	60,758		
Senior Citizen Grants	-	1,706,393	125,118	-	-	-	12,622	1,844,133		
Total Community Development	-	3,321,642	321,145	-	27,486	-	12,712	3,682,985		
Culture and Recreation:										
Historic Preservation Grant	-	10,155	11,783	-	2,787	-	-	24,725		
Library	-	220,744	-	-	-	-	250,139	470,883		
NEA Grants	-	14,550	-	-	-	-	31,227	45,777		
Plaza Use	-	-	-	-	1,861	-	27,699	29,560		
Public Facilities Purchase	-	22,500	-	-	2,690	-	-	25,190		
Quality of Life Project	-	-	-	-	27,119	-	-	27,119		
Recreation Grants	39,832	29,700	90,701	-	43,959	-	-	204,192		
Tierra Contenta	-	-	-	-	112,109	267,786	-	379,895		
Special Recreation Leagues	-	-	-	-	5,117	-	64,895	70,012		
Total Culture and Recreation	39,832	297,649	102,484	-	195,642	267,786	373,960	1,277,353		
Totals - June 30, 2007	\$ 12,331,474	\$ 5,173,680	\$ 4,051,462	\$ 137,368	\$ 1,177,335	\$ 296,579	\$ 636,871	\$ 23,804,769		

Expenditures				Other Financing Sources (Uses)			Fund Balance		
			Excess (Deficiency) of Revenues Over Expenditures	Transfers In	Transfers (Out)	Net change in Fund Balances	Beginning of Year	End of Year	
Current	Capital Outlay	Total Expenditures							
\$ 5,354	\$ 82,363	\$ 87,717	\$ (54,639)	\$ -	\$ -	\$ (54,639)	\$ 113,923	\$ 59,284	
-	-	-	20,818	-	-	20,818	48,987	69,805	
1,321,776	15,175	1,336,951	(821,949)	386,892	(16,776)	(451,833)	2,565,886	2,114,053	
3,349,619	5,911	3,355,530	5,837,519	75,000	(8,949,076)	(3,036,557)	7,414,978	4,378,421	
-	-	-	-	-	(915)	(915)	915	-	
-	-	-	-	-	(104,563)	(104,563)	104,563	-	
-	-	-	1,575	-	-	1,575	28,071	29,646	
4,676,749	103,449	4,780,198	4,983,324	461,892	(9,071,330)	(3,626,114)	10,277,323	6,651,209	
24,162	23,262	47,424	1,926	-	-	1,926	85,396	87,322	
449,365	543,662	993,027	1,649,037	1,292,563	(2,093,967)	847,633	592,342	1,439,975	
91,567	-	91,567	(15,442)	-	-	(15,442)	14,253	(1,189)	
2,204,432	784,009	2,988,441	(237,467)	1,094,241	(775,501)	81,273	1,057,467	1,138,740	
2,769,526	1,350,933	4,120,459	1,398,054	2,386,804	(2,869,468)	915,390	1,749,458	2,664,848	
-	-	-	2,384	-	(114,386)	(112,002)	112,002	-	
490,193	460	490,653	(9,968)	-	-	(9,968)	238,710	228,742	
38,688	-	38,688	(7,837)	60,000	-	52,163	515,969	568,132	
-	-	-	2,547,095	-	(2,153,687)	393,408	3,123,118	3,516,526	
1,224,085	-	1,224,085	(722,704)	627,430	-	(95,274)	712,032	616,758	
1,752,966	460	1,753,426	1,808,970	687,430	(2,268,073)	228,327	4,701,831	4,930,158	
2,555,911	1,265	2,557,176	(779,082)	800,244	(21,839)	(677)	609,102	608,425	
44,451	-	44,451	16,307	-	-	16,307	(14,911)	1,396	
2,941,540	72,947	3,014,487	(1,170,354)	1,219,139	-	48,785	(6,155)	42,630	
5,541,902	74,212	5,616,114	(1,933,129)	2,019,383	(21,839)	64,415	588,036	652,451	
13,486	-	13,486	11,239	-	-	11,239	50,956	62,195	
460,207	38,022	498,229	(27,346)	590,355	-	563,009	107,417	670,426	
61,218	-	61,218	(15,441)	26,900	-	11,459	12,874	24,333	
27,055	-	27,055	2,505	-	-	2,505	25,146	27,651	
22,500	-	22,500	2,690	-	(17,274)	(14,584)	65,204	50,620	
489,807	148,029	637,836	(610,717)	998,422	(491,520)	(103,815)	515,826	412,011	
1,793,781	1,928	1,795,709	(1,591,517)	1,631,737	-	40,220	535,174	575,394	
264,000	257,515	521,515	(141,620)	-	-	(141,620)	2,072,496	1,930,876	
49,563	-	49,563	20,449	-	-	20,449	76,102	96,551	
3,181,617	445,494	3,627,111	(2,349,758)	3,247,414	(508,794)	388,862	3,461,195	3,850,057	
\$ 17,922,760	\$ 1,974,548	\$ 19,897,308	\$ 3,907,461	\$ 8,802,923	\$ (14,739,504)	\$ (2,029,120)	\$ 20,777,843	\$ 18,748,723	

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ 4,000	\$ 3,750	\$ 4,285	\$ 535
Total revenues	4,000	3,750	4,285	535
Expenditures:				
General government:				
Current	4,800	5,396	5,354	42
Capital outlay	83,242	122,964	82,363	40,601
Total expenditures	88,042	128,360	87,717	40,643
Excess (deficiency) of revenues over expenditures	(84,042)	(124,610)	(83,432)	41,178
Other financing sources (uses):				
Sale of capital assets	40,000	40,000	28,793	(11,207)
Total other financing sources (uses)	40,000	40,000	28,793	(11,207)
Net change in fund balance	(44,042)	(84,610)	(54,639)	29,971
Fund balance, beginning of year	113,923	113,923	113,923	-
Fund balance, end of year	\$ 69,881	\$ 29,313	\$ 59,284	\$ 29,971

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ -	\$ 25,000	\$ 20,818	\$ (4,182)
Total revenues	-	25,000	20,818	(4,182)
Expenditures:				
Public safety:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	25,000	20,818	(4,182)
Net changes in fund balance	-	25,000	20,818	(4,182)
Fund balance, beginning of year	48,987	48,987	48,987	-
Fund balance, end of year	\$ 48,987	\$ 73,987	\$ 69,805	\$ (4,182)

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, 2007

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ -	\$ 218,000	\$ 249,896	\$ 31,896
Investment income	90,000	102,000	127,738	25,738
Rents, royalties and concessions	-	125,794	137,368	11,574
Other	-	24,000	-	(24,000)
Total revenues	90,000	469,794	515,002	45,208
Expenditures:				
General government:				
Current	973,222	1,788,562	1,321,776	466,786
Capital outlay	-	16,531	15,175	1,356
Total expenditures	973,222	1,805,093	1,336,951	468,142
Excess (deficiency) of revenues over expenditures	(883,222)	(1,335,299)	(821,949)	513,350
Other financing sources (uses):				
Transfers in	385,165	386,892	386,892	-
Transfers out	(16,776)	(16,776)	(16,776)	-
Total other financing sources (uses)	368,389	370,116	370,116	-
Net change in fund balance	(514,833)	(965,183)	(451,833)	513,350
Fund balance, beginning of year	2,565,886	2,565,886	2,565,886	-
Fund balance, end of year	\$ 2,051,053	\$ 1,600,703	\$ 2,114,053	\$ 513,350

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 8,134,322	\$ 8,318,322	\$ 8,677,392	\$ 359,070
Licenses and permits	-	-	1,375	1,375
Intergovernmental	65,000	85,959	60,952	(25,007)
Investment income	269,000	373,200	438,568	65,368
Other	162,000	162,000	14,762	(147,238)
Total revenues	8,630,322	8,939,481	9,193,049	253,568
Expenditures:				
General government:				
Current	3,549,917	3,893,320	3,349,619	543,701
Capital outlay	22,550	7,021	5,911	1,110
Total expenditures	3,572,467	3,900,341	3,355,530	544,811
Excess (deficiency) of revenues over expenditures	5,057,855	5,039,140	5,837,519	798,379
Other financing sources (uses):				
Transfers in	1,676,171	75,000	75,000	-
Transfers out	(692,573)	(8,949,076)	(8,949,076)	-
Total other financing sources (uses)	983,598	(8,874,076)	(8,874,076)	-
Net change in fund balance	6,041,453	(3,834,936)	(3,036,557)	798,379
Fund balance, beginning of year	7,414,978	7,414,978	7,414,978	-
Fund balance, end of year	\$ 13,456,431	\$ 3,580,042	\$ 4,378,421	\$ 798,379

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
General government:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Transfers out	-	(916)	(915)	1
Total other financing sources (uses)	-	(916)	(915)	1
Net change in fund balance	-	(916)	(915)	1
Fund balance, beginning of year	915	915	915	-
Fund balance, end of year	\$ 915	\$ (1)	\$ -	\$ 1

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, 2007

	Budgeted Amounts		Actual	Variance With Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Rents, royalties and concessions	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
General government:				
Current	-	7,928	-	7,928
Total expenditures	-	7,928	-	7,928
Excess (deficiency) of revenues over expenditures	-	(7,928)	-	(7,928)
Other financing sources (uses):				
Transfers out	-	(49,673)	(104,563)	54,890
Other sources-land sales	-	-	-	-
Total other financing sources (uses)	-	(49,673)	(104,563)	54,890
Net change in fund balance	-	(57,601)	(104,563)	46,962
Fund balance, beginning of year	104,563	104,563	104,563	-
Fund balance, end of year	\$ 104,563	\$ 46,962	\$ -	\$ (46,962)

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment Income	\$ 900	\$ 1,200	\$ 1,575	\$ 375
Total revenues	900	1,200	1,575	375
Expenditures:				
General government:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	900	1,200	1,575	375
Fund balance, beginning of year	28,071	28,071	28,071	-
Fund balance, end of year	\$ 28,971	\$ 29,271	\$ 29,646	\$ 375

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, 2007

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Licenses and permits	\$ 19,000	\$ 19,000	\$ 22,772	\$ 3,772
Investment income	1,000	3,500	5,468	1,968
Fines and forfeitures	20,000	20,000	21,110	1,110
Total revenues	40,000	42,500	49,350	6,850
Expenditures:				
General government:				
Current	-	40,263	24,162	16,101
Capital outlay	-	47,500	23,262	24,238
Total expenditures	-	87,763	47,424	40,339
Excess (deficiency) of revenues over expenditures	40,000	(45,263)	1,926	47,189
Net change in fund balance	40,000	(45,263)	1,926	47,189
Fund balance, beginning of year	85,396	85,396	85,396	-
Fund balance, end of year	\$ 125,396	\$ 40,133	\$ 87,322	\$ 47,189

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ -	\$ 1,736,000	\$ 1,670,952	\$ (65,048)
Intergovernmental	340,000	558,396	418,952	(139,444)
Fees and charges for services	-	496,415	496,415	-
Investment income	16,600	31,900	55,745	23,845
Total revenues	356,600	2,822,711	2,642,064	(180,647)
Expenditures:				
Public safety:				
Current	84,528	718,973	449,365	269,608
Capital outlay	90,750	1,656,250	543,662	1,112,588
Total expenditures	175,278	2,375,223	993,027	1,382,196
Excess (deficiency) of revenues over expenditures	181,322	447,488	1,649,037	1,201,549
Other financing sources (uses):				
Transfers in	-	1,292,563	1,292,563	-
Transfers out	(164,722)	(2,093,967)	(2,093,967)	-
Total other financing sources (uses)	(164,722)	(801,404)	(801,404)	-
Net changes in fund balance	16,600	(353,916)	847,633	1,201,549
Fund balance, beginning of year	592,342	592,342	592,342	-
Fund balance, end of year	\$ 608,942	\$ 238,426	\$ 1,439,975	\$ 1,201,549

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ -	\$ 229,143	\$ 76,125	\$ (153,018)
Total revenues	-	229,143	76,125	(153,018)
Expenditures:				
Culture and recreation:				
Current	88,739	244,526	91,567	152,959
Total expenditures	88,739	244,526	91,567	152,959
Excess (deficiency) of revenues over expenditures	(88,739)	(15,383)	(15,442)	(59)
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(88,739)	(15,383)	(15,442)	(59)
Fund balance, beginning of year	14,253	14,253	14,253	-
Fund balance, end of year	\$ (74,486)	\$ (1,130)	\$ (1,189)	\$ (59)

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 1,895,295	\$ 1,895,295	\$ 1,922,480	\$ 27,185
Intergovernmental	332,600	312,963	299,250	(13,713)
Fees and charges for services	510,472	365,540	277,025	(88,515)
Investment income	23,500	27,200	38,147	10,947
Fines and forfeitures	18,995	156,535	156,585	50
Other	93,600	96,690	57,487	(39,203)
Total revenues	2,874,462	2,854,223	2,750,974	(103,249)
Expenditures:				
Public safety:				
Current	2,358,404	2,446,325	2,204,432	241,893
Capital outlay	485,217	919,682	784,009	135,673
Total expenditures	2,843,621	3,366,007	2,988,441	377,566
Excess (deficiency) of revenues over expenditures	30,841	(511,784)	(237,467)	274,317
Other financing sources (uses):				
Transfers in	1,383	1,094,241	1,094,241	-
Transfers out	-	(775,502)	(775,501)	(1)
Total other financing sources (uses)	1,383	318,739	318,740	(1)
Net change in fund balance	32,224	(193,045)	81,273	274,316
Fund balance, beginning of year	1,057,467	1,057,467	1,057,467	-
Fund balance, end of year	\$ 1,089,691	\$ 864,422	\$ 1,138,740	\$ 274,318

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ 3,500	\$ 3,500	\$ 2,384	\$ (1,116)
Total revenues	3,500	3,500	2,384	(1,116)
Expenditures:				
Public safety:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	3,500	3,500	2,384	(1,116)
Other financing sources (uses):				
Transfers out	-	(114,387)	(114,386)	(1)
Total other financing sources (uses)	-	(114,387)	(114,386)	(1)
Net changes in fund balance	3,500	(110,887)	(112,002)	(1,117)
Fund balance, beginning of year	112,002	112,002	112,002	-
Fund balance, end of year	\$ 115,502	\$ 1,115	\$ -	\$ (1,115)

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fees and charges for services	\$ 459,000	\$ 459,000	\$ 469,540	\$ 10,540
Investment income	8,000	8,750	11,145	2,395
Total revenues	467,000	467,750	480,685	12,935
Expenditures:				
Community welfare:				
Current	466,564	498,459	490,193	8,266
Capital outlay	2,500	25,797	460	25,337
Total expenditures	469,064	524,256	490,653	33,603
Excess (deficiency) of revenues over expenditures	(2,064)	(56,506)	(9,968)	46,538
Net change in fund balance	(2,064)	(56,506)	(9,968)	46,538
Fund balance, beginning of year	238,710	238,710	238,710	-
Fund balance, end of year	\$ 236,646	\$ 182,204	\$ 228,742	\$ 46,538

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ 16,000	\$ 23,500	\$ 30,851	\$ 7,351
Total revenues	16,000	23,500	30,851	7,351
Expenditures:				
Culture and recreation:				
Current	80,000	78,931	38,688	40,243
Total expenditures	80,000	78,931	38,688	40,243
Excess (deficiency) of revenues over expenditures	(64,000)	(55,431)	(7,837)	47,594
Other financing sources (uses):				
Transfers in	80,000	60,000	60,000	-
Total other financing sources (uses)	80,000	60,000	60,000	-
Net change in fund balance	16,000	4,569	52,163	47,594
Fund balance, beginning of year	515,969	515,969	515,969	-
Fund balance, end of year	\$ 531,969	\$ 520,538	\$ 568,132	\$ 47,594

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Fees and charges for services	\$ 1,825,300	\$ 1,825,300	\$ 2,326,026	\$ 500,726
Investment income	75,000	185,000	221,069	36,069
Total revenues	1,900,300	2,010,300	2,547,095	536,795
Expenditures:				
Public works:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	1,900,300	2,010,300	2,547,095	536,795
Other financing sources (uses):				
Transfers out	(54,000)	(2,153,687)	(2,153,687)	-
Total other financing sources (uses)	(54,000)	(2,153,687)	(2,153,687)	-
Net change in fund balance	1,846,300	(143,387)	393,408	536,795
Fund balance, beginning of year	3,123,118	3,123,118	3,123,118	-
Fund balance, end of year	\$ 4,969,418	\$ 2,979,731	\$ 3,516,526	\$ 536,795

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 581,560	\$ 585,596	\$ 449,214	\$ (136,382)
Fees and charges for services	158,577	158,577	34,680	(123,897)
Investment Income	-	10,500	17,232	6,732
Other	-	-	255	255
Total revenues	740,137	754,673	501,381	(253,292)
Expenditures:				
Public works:				
Current	1,452,912	1,757,798	1,224,085	533,713
Capital outlay	-	2,000	-	2,000
Total expenditures	1,452,912	1,759,798	1,224,085	535,713
Excess (deficiency) of revenues over expenditures	(712,775)	(1,005,125)	(722,704)	282,421
Other financing sources (uses):				
Transfers in	627,430	627,430	627,430	-
Transfers out	(8,700)	-	-	-
Total other financing sources (uses)	618,730	627,430	627,430	-
Net change in fund balance	(94,045)	(377,695)	(95,274)	282,421
Fund balance, beginning of year	712,032	712,032	712,032	-
Fund balance, end of year	\$ 617,987	\$ 334,337	\$ 616,758	\$ 282,421

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 1,445,064	\$ 2,374,859	\$ 1,554,491	\$ (820,368)
Fees and charges for services	-	-	196,027	196,027
Investment income	8,000	18,400	27,486	9,086
Other	-	195,000	90	(194,910)
Total revenues	1,453,064	2,588,259	1,778,094	(810,165)
Expenditures:				
Community welfare:				
Current	2,066,144	3,472,719	2,555,911	916,808
Capital outlay	1,000	2,265	1,265	1,000
Total expenditures	2,067,144	3,474,984	2,557,176	917,808
Excess (deficiency) of revenues over expenditures	(614,080)	(886,725)	(779,082)	107,643
Other financing sources (uses):				
Transfers in	770,330	800,244	800,244	-
Transfers out	(1,383)	(21,839)	(21,839)	-
Total other financing sources (uses)	768,947	778,405	778,405	-
Net changes in fund balance	154,867	(108,320)	(677)	107,643
Fund balance, beginning of year	609,102	609,102	609,102	-
Fund balance, end of year	\$ 763,969	\$ 500,782	\$ 608,425	\$ 107,643

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, 2007

	<u>Budgeted Amounts</u>			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ -	\$ 119,731	\$ 60,758	\$ (58,973)
Total revenues	-	119,731	60,758	(58,973)
Expenditures:				
Public safety:				
Current	-	119,731	44,451	75,280
Total expenditures	-	119,731	44,451	75,280
Net change in fund balance	-	-	16,307	16,307
Fund balance, beginning of year	(14,911)	(14,911)	(14,911)	-
Fund balance, end of year	\$ (14,911)	\$ (14,911)	\$ 1,396	\$ 16,307

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 1,570,154	\$ 1,854,362	\$ 1,706,393	\$ (147,969)
Fees and charges for services	-	-	125,118	125,118
Other	175,945	175,945	12,622	(163,323)
Total revenues	1,746,099	2,030,307	1,844,133	(186,174)
Expenditures:				
Community welfare:				
Current	2,837,190	3,054,699	2,941,540	113,159
Capital outlay	6,620	187,753	72,947	114,806
Total expenditures	2,843,810	3,242,452	3,014,487	227,965
Excess (deficiency) of revenues over expenditures	(1,097,711)	(1,212,145)	(1,170,354)	41,791
Other financing sources (uses):				
Transfers in	1,097,794	1,219,139	1,219,139	-
Total other financing sources (uses)	1,097,794	1,219,139	1,219,139	-
Net change in fund balance	83	6,994	48,785	41,791
Fund balance, beginning of year	(6,155)	(6,155)	(6,155)	-
Fund balance, end of year	\$ (6,072)	\$ 839	\$ 42,630	\$ 41,791

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Licenses and permits	\$ 10,000	\$ 10,000	11,783	\$ 1,783
Intergovernmental	-	40,699	10,155	(30,544)
Investment income	1,000	1,900	2,787	887
Total revenues	11,000	52,599	24,725	(27,874)
Expenditures:				
Culture and recreation:				
Current	16,000	70,869	13,486	57,383
Total expenditures	16,000	70,869	13,486	57,383
Excess (deficiency) of revenues over expenditures	(5,000)	(18,270)	11,239	29,509
Net change in fund balance	(5,000)	(18,270)	11,239	29,509
Fund balance, beginning of year	50,956	50,956	50,956	-
Fund balance, end of year	\$ 45,956	\$ 32,686	\$ 62,195	\$ 29,509

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
Library
For the Year Ended June 30, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ -	\$ 233,473	\$ 220,744	\$ (12,729)
Fines and forfeitures	-	-	139	139
Other	-	-	250,000	250,000
Total revenues	-	233,473	470,883	237,410
Expenditures:				
Culture and recreation:				
Current	588,855	817,003	460,207	356,796
Capital outlay	1,500	45,561	38,022	7,539
Total expenditures	590,355	862,564	498,229	364,335
Excess (deficiency) of revenues over expenditures	(590,355)	(629,091)	(27,346)	601,745
Other financing sources (uses):				
Transfers in	590,355	590,355	590,355	-
Total other financing sources (uses)	590,355	590,355	590,355	-
Net change in fund balance	-	(38,736)	563,009	601,745
Fund balance, beginning of year	107,417	107,417	107,417	-
Fund balance, end of year	\$ 107,417	\$ 68,681	\$ 670,426	\$ 601,745

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 20,200	\$ 28,725	\$ 14,550	\$ (14,175)
Other	36,299	31,799	31,227	(572)
Total revenues	56,499	60,524	45,777	(14,747)
Expenditures:				
Public safety:				
Current	56,499	103,090	61,218	41,872
Total expenditures	56,499	103,090	61,218	41,872
Excess (deficiency) of revenues over expenditures	-	(42,566)	(15,441)	27,125
Other financing sources (uses):				
Transfers in	-	26,900	26,900	-
Total other financing sources (uses)	-	26,900	26,900	-
Net change in fund balance	-	(15,666)	11,459	27,125
Fund balance, beginning of year	12,874	12,874	12,874	-
Fund balance, end of year	\$ 12,874	\$ (2,792)	\$ 24,333	\$ 27,125

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ -	\$ 1,550	\$ 1,861	\$ 311
Fines and forfeitures	-	18,000	21,315	3,315
Other	13,824	13,824	6,384	(7,440)
Total revenues	13,824	33,374	29,560	(3,814)
Expenditures:				
Culture and recreation:				
Current	13,824	29,029	27,055	1,974
Total expenditures	13,824	29,029	27,055	1,974
Net change in fund balance	-	4,345	2,505	(1,840)
Fund balance, beginning of year	25,146	25,146	25,146	-
Fund balance, end of year	\$ 25,146	\$ 29,491	\$ 27,651	\$ (1,840)

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ -	\$ 71,808	\$ 22,500	\$ (49,308)
Investment income	1,500	2,000	2,690	690
Total revenues	1,500	\$ 73,808	\$ 25,190	(48,618)
Expenditures:				
Culture and recreation:				
Current	83,444	71,808	22,500	49,308
Total expenditures	83,444	71,808	22,500	49,308
Excess (deficiency) of revenues over expenditures	(81,944)	2,000	2,690	690
Other financing sources (uses):				
Transfers out	-	(17,274)	(17,274)	-
Total other financing sources (uses)	-	(17,274)	(17,274)	-
Net change in fund balance	(81,944)	(15,274)	(14,584)	690
Fund balance, beginning of year	65,204	65,204	65,204	-
Fund balance, end of year	\$ (16,740)	\$ 49,930	\$ 50,620	\$ 690

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ 12,000	\$ 20,000	\$ 27,119	\$ 7,119
Total revenues	12,000	20,000	27,119	7,119
Expenditures:				
Culture and recreation:				
Current	524,252	603,595	489,807	113,788
Capital outlay	21,550	187,955	148,029	39,926
Total expenditures	545,802	791,550	637,836	153,714
Excess (deficiency) of revenues over expenditures	(533,802)	(771,550)	(610,717)	160,833
Other financing sources (uses):				
Transfers in	998,422	998,422	998,422	-
Transfers out	(464,620)	(491,520)	(491,520)	-
Total other financing sources (uses)	533,802	506,902	506,902	-
Net change in fund balance	-	(264,648)	(103,815)	160,833
Fund balance, beginning of year	515,826	515,826	515,826	-
Fund balance, end of year	\$ 515,826	\$ 251,178	\$ 412,011	\$ 160,833

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, 2007

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 45,000	\$ 45,000	\$ 39,832	\$ (5,168)
Intergovernmental	-	29,700	29,700	-
Fees and charges for services	129,650	129,650	90,701	(38,949)
Investment income	18,000	29,500	43,959	14,459
Total revenues	192,650	233,850	204,192	(29,658)
Expenditures:				
Culture and recreation:				
Current	1,813,716	1,921,576	1,793,781	127,795
Capital outlay	375	2,004	1,928	76
Total expenditures	1,814,091	1,923,580	1,795,709	127,871
Excess (deficiency) of revenues over expenditures	(1,621,441)	(1,689,730)	(1,591,517)	98,213
Other financing sources (uses):				
Transfers in	1,620,115	1,631,737	1,631,737	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	1,620,115	1,631,737	1,631,737	-
Net change in fund balance	(1,326)	(57,993)	40,220	98,213
Fund balance, beginning of year	535,174	535,174	535,174	-
Fund balance, end of year	\$ 533,848	\$ 477,181	\$ 575,394	\$ 98,213

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Investment income	\$ 64,000	\$ 86,500	\$ 112,109	\$ 25,609
Total revenues	64,000	86,500	112,109	25,609
Expenditures:				
Culture and recreation:				
Current	-	445,012	264,000	181,012
Capital outlay	-	-	257,515	(257,515)
Total expenditures	-	445,012	521,515	(76,503)
Excess (deficiency) of revenues over expenditures	64,000	(358,512)	(409,406)	(50,894)
Other financing sources (uses):				
Sale of Fixed Assets	-	11,000	267,786	256,786
Total other financing sources (uses)	-	11,000	267,786	256,786
Net change in fund balance	64,000	(347,512)	(141,620)	205,892
Fund balance, beginning of year	2,072,496	2,072,496	2,072,496	-
Fund balance, end of year	\$ 2,136,496	\$ 1,724,984	\$ 1,930,876	\$ 205,892

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, 2007

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Donations and support	\$ 65,350	\$ 65,350	\$ 64,895	\$ (455)
Investment income	2,600	3,800	5,117	1,317
Total revenues	67,950	69,150	70,012	862
Expenditures:				
Culture and recreation:				
Current	65,350	69,314	49,563	19,751
Total expenditures	65,350	69,314	49,563	19,751
Net change in fund balance	2,600	(164)	20,449	20,613
Fund balance, beginning of year	76,102	76,102	76,102	-
Fund balance, end of year	\$ 78,702	\$ 75,938	\$ 96,551	\$ 20,613

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 15,165,179	\$ 15,165,179	\$ 15,475,180	\$ 310,001
Investment income	159,000	218,500	222,459	3,959
Total revenues	15,324,179	15,383,679	15,697,639	313,960
Expenditures:				
General government:				
Current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	15,324,179	15,383,679	15,697,639	313,960
Other financing sources (uses):				
Transfers out	(14,194,263)	(21,383,205)	(20,028,172)	(1,355,033)
Total other financing sources (uses)	(14,194,263)	(21,383,205)	(20,028,172)	(1,355,033)
Net changes in fund balance	1,129,916	(5,999,526)	(4,330,533)	(1,041,073)
Fund balance, beginning of year	7,847,286	7,847,286	7,847,286	-
Fund balance, end of year	\$ 8,977,202	\$ 1,847,760	\$ 3,516,753	\$ 1,668,993

Nonmajor Governmental Funds Capital Projects Funds

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

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

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.

Major Governmental Fund Capital Projects Funds

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, 2007

Assets

	Cash, Investments and Cash Equivalents	Tax Receivable	Grants Receivable	Interest Receivable	Total Assets
General Government:					
CIP Reallocation	\$ 1,103,973	\$ -	\$ -	\$ 137,141	\$ 1,241,114
Building Renovations	2,525,658	-	401,529	-	2,927,187
Total General Government	3,629,631	-	401,529	137,141	4,168,301
Public Works:					
Beautif. of Major Arterials	14,383	-	-	-	14,383
Bond Acquisition	1,470,026	-	-	-	1,470,026
City Drainage Projects	364,539	-	-	-	364,539
Landfill Projects	70,819	-	-	-	70,819
City Paving Projects	2,393,997	104,050	-	5,287	2,503,334
Santa Fe River Channel	118,262	-	1,186	-	119,448
City Signalization Projects	297,543	-	631,424	-	928,967
City Street Const. Projects	3,484,142	-	100,000	-	3,584,142
City Sidewalk Projects	1,088,714	-	-	-	1,088,714
Zia Road Street Lighting	300,484	-	-	-	300,484
Total Public Works	9,602,909	104,050	732,610	5,287	10,444,856
Community Development:					
Public Care Facilities	127,091	-	55,634	-	182,725
Total Community Development	127,091	-	55,634	-	182,725
Culture and Recreation:					
Art for CIP Projects	596,674	-	6,000	-	602,674
Affordable Housing Program	343,661	-	-	-	343,661
Museums	615	-	1,009	-	1,624
City Parks Improvements	2,892,267	-	283,018	-	3,175,285
Open Space Acquisition	999,174	-	218,612	-	1,217,786
Library Improvements	-	-	183,150	-	183,150
Total Culture and Recreation	4,832,391	-	691,789	-	5,524,180
Totals - June 30, 2007	\$ 18,192,022	\$ 104,050	\$ 1,881,562	\$ 142,428	\$ 20,320,062

Liabilities						Fund Balances			
Accounts Payable	Compensated Absences Payable	Accrued Wages Payable	Due to Other Funds	Deposits/ Escrows	Total Liabilities	Unreserved	Total Fund Balances	Total Liabilities and Fund Balances	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,241,114	\$ 1,241,114	\$ 1,241,114	
272,678	-	2,546	-	-	275,224	2,651,963	2,651,963	2,927,187	
272,678	-	2,546	-	-	275,224	3,893,077	3,893,077	4,168,301	
-	-	-	-	-	-	14,383	14,383	14,383	
-	-	-	-	-	-	1,470,026	1,470,026	1,470,026	
4,700	-	-	-	-	4,700	359,839	359,839	364,539	
-	-	-	-	-	-	70,819	70,819	70,819	
468,383	48,906	25,253	-	-	542,542	1,960,792	1,960,792	2,503,334	
-	-	-	-	-	-	119,448	119,448	119,448	
443,656	-	-	-	-	443,656	485,311	485,311	928,967	
332,671	-	6,965	-	123,000	462,636	3,121,506	3,121,506	3,584,142	
4,726	-	1,938	-	-	6,664	1,082,050	1,082,050	1,088,714	
29,919	-	-	-	-	29,919	270,565	270,565	300,484	
1,284,055	48,906	34,156	-	123,000	1,490,117	8,954,739	8,954,739	10,444,856	
-	-	-	-	-	-	182,725	182,725	182,725	
-	-	-	-	-	-	182,725	182,725	182,725	
2,990	-	2,114	-	-	5,104	597,570	597,570	602,674	
96,000	-	-	-	-	96,000	247,661	247,661	343,661	
-	-	-	-	-	-	1,624	1,624	1,624	
365,551	-	24,446	-	-	389,997	2,785,288	2,785,288	3,175,285	
114,877	-	-	-	-	114,877	1,102,909	1,102,909	1,217,786	
8,673	-	-	107,695	-	116,368	66,782	66,782	183,150	
588,091	-	26,560	107,695	-	722,346	4,801,834	4,801,834	5,524,180	
\$ 2,144,824	\$ 48,906	\$ 63,262	\$ 107,695	\$ 123,000	\$ 2,487,687	\$ 17,832,375	\$ 17,832,375	\$ 20,320,062	

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, 2007

	Revenues					Expenditures	
	Taxes	Intergov- ernmental	Investment Income	Other Revenues	Total Revenues	Current	Capital Outlay
General Government:							
CIP Reallocation	\$ -	\$ -	\$ 1,378,315	\$ -	\$ 1,378,315	\$ -	\$ -
Building Renovations	-	401,529	-	-	401,529	356,356	2,167,854
Total General Government	-	401,529	1,378,315	-	1,779,844	356,356	2,167,854
Public Works:							
Beautif. of Major Arterials	-	-	-	-	-	-	-
Bond Acquisition	-	-	-	-	-	-	-
City Drainage Projects	-	-	-	4,100	4,100	-	16,191
Landfill Projects	-	-	-	-	-	-	-
City Paving Projects	1,130,555	-	48,982	750	1,180,287	1,070,782	2,686,024
Santa Fe River Channel	-	57,676	-	-	57,676	-	133,090
City Signalization Projects	-	788,684	-	-	788,684	-	1,259,138
City Street Const. Projects	-	100,000	-	178,983	278,983	66,955	4,768,379
City Sidewalk Projects	-	-	-	26,400	26,400	90,312	240,953
Zia Road Street Lighting	-	-	-	-	-	-	33,883
Total Public Works	1,130,555	946,360	48,982	210,233	2,336,130	1,228,049	9,137,658
Community Development:							
Public Care Facilities	-	110,380	-	-	110,380	127,431	14,700
Total Community Development	-	110,380	-	-	110,380	127,431	14,700
Culture and Recreation:							
Art for CIP Projects	-	16,000	-	4,600	20,600	138,498	-
Affordable Housing Program	-	-	-	-	-	-	108,339
Museums	-	-	-	-	-	-	1,009
City Parks Improvements	-	303,018	-	1,200	304,218	522,133	2,985,300
Open Space Acquisition	-	218,612	-	-	218,612	52,459	672,527
Library Improvements	-	678,150	-	-	678,150	-	3,243,647
Total Culture and Recreation	-	1,215,780	-	5,800	1,221,580	713,090	7,010,822
Totals - June 30, 2007	\$ 1,130,555	\$ 2,674,049	\$ 1,427,297	\$ 216,033	\$ 5,447,934	\$ 2,424,926	\$ 18,331,034

Other Financing Sources (Uses)					Fund Balances	
Total Expenditures	Excess (Deficiency) of Revenues Over Expenditures	Transfers In	Transfers (Out)	Net Changes In Fund Balances	Beginning of Year	End of Year
\$ - 2,524,210	\$ 1,378,315 (2,122,681)	\$ 13,789 2,867,274	\$ (474,000) (51,327)	\$ 918,104 693,266	\$ 323,010 1,958,697	\$ 1,241,114 2,651,963
2,524,210	(744,366)	2,881,063	(525,327)	1,611,370	2,281,707	3,893,077
-	-	-	-	-	14,383	14,383
-	-	-	-	-	1,470,026	1,470,026
16,191	(12,091)	-	-	(12,091)	371,930	359,839
-	-	-	-	-	70,819	70,819
3,756,806	(2,576,519)	-	(209,000)	(2,785,519)	4,746,311	1,960,792
133,090	(75,414)	-	-	(75,414)	194,862	119,448
1,259,138	(470,454)	800,000	(1,950)	327,596	157,715	485,311
4,835,334	(4,556,351)	2,601,000	(270,000)	(2,225,351)	5,346,857	3,121,506
331,265	(304,865)	900,000	-	595,135	486,915	1,082,050
33,883	(33,883)	200,000	-	166,117	104,448	270,565
10,365,707	(8,029,577)	4,501,000	(480,950)	(4,009,527)	12,964,266	8,954,739
142,131	(31,751)	19,327	(23,989)	(36,413)	219,138	182,725
142,131	(31,751)	19,327	(23,989)	(36,413)	219,138	182,725
138,498	(117,898)	443,325	-	325,427	272,143	597,570
108,339	(108,339)	-	-	(108,339)	356,000	247,661
1,009	(1,009)	2,000	-	991	633	1,624
3,507,433	(3,203,215)	1,899,005	(237,268)	(1,541,478)	4,326,766	2,785,288
724,986	(506,374)	898,469	(189,005)	203,090	899,819	1,102,909
3,243,647	(2,565,497)	89,000	-	(2,476,497)	2,543,279	66,782
7,723,912	(6,502,332)	3,331,799	(426,273)	(3,596,806)	8,398,640	4,801,834
\$ 20,755,960	\$ (15,308,026)	\$ 10,733,189	\$ (1,456,539)	\$ (6,031,376)	\$ 23,863,751	\$ 17,832,375

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Investment income	\$ 890,000	\$ 1,110,000	\$ 1,378,315	\$ 268,315
Total revenues	890,000	1,110,000	1,378,315	268,315
Expenditures:				
General government:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	890,000	1,110,000	1,378,315	268,315
Other financing sources (uses):				
Transfer in	-	13,790	13,789	(1)
Transfers out	(425,000)	(474,000)	(474,000)	-
Total other financing sources (uses)	(425,000)	(460,210)	(460,211)	(1)
Net change in fund balance	465,000	649,790	918,104	268,314
Fund balance, beginning of year	323,010	323,010	323,010	-
Fund balance, end of year	\$ 788,010	\$ 972,800	\$ 1,241,114	\$ 268,314

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ 238,500	\$ 1,894,750	\$ 401,529	\$ (1,493,221)
Total revenues	238,500	1,894,750	401,529	(1,493,221)
Expenditures:				
General government:				
Current	20,846	456,412	356,356	100,056
Capital outlay	1,125,112	6,179,323	2,167,854	4,011,469
Total expenditures	1,145,958	6,635,735	2,524,210	4,111,525
Excess (deficiency) of revenues over expenditures	(907,458)	(4,740,985)	(2,122,681)	2,618,304
Other financing sources (uses):				
Transfers in	100,000	2,888,274	2,867,274	(21,000)
Transfers out	-	(51,327)	(51,327)	-
Total other financing sources (uses)	100,000	2,836,947	2,815,947	(21,000)
Net change in fund balance	(807,458)	(1,904,038)	693,266	2,597,304
Fund balance, beginning of year	1,958,697	1,958,697	1,958,697	-
Fund balance, end of year	\$ 1,151,239	\$ 54,659	\$ 2,651,963	\$ 2,597,304

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, 2007

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

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Total revenues	50,000	50,000	-	(50,000)
Expenditures:				
Public works:				
Capital outlay	81,559	120,296	-	120,296
Total expenditures	81,559	120,296	-	120,296
Excess (deficiency) of revenues over expenditures	(31,559)	(70,296)	-	70,296
Net change in fund balance	(31,559)	(70,296)	-	70,296
Fund balance, beginning of year	1,470,026	1,470,026	1,470,026	-
Fund balance, end of year	\$ 1,438,467	\$ 1,399,730	\$ 1,470,026	\$ 70,296

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, 2007

	Budgeted Amounts		Actual Amounts		Variance with Final Budget- Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental	\$ -	\$ 75,000	\$ -	\$ (75,000)	
Other Revenue	-	-	4,100	4,100	
				-	
Total revenues	-	75,000	4,100	(70,900)	
Expenditures:					
Public works:					
Current	-	-	-	-	
Capital outlay	359,892	436,661	16,191	420,470	
Total expenditures	359,892	436,661	16,191	420,470	
Excess (deficiency) of revenues over expenditures	(359,892)	(361,661)	(12,091)	349,570	
Net change in fund balance	(359,892)	(361,661)	(12,091)	349,570	
Fund balance, beginning of year	371,930	371,930	371,930	-	
Fund balance, end of year	\$ 12,038	\$ 10,269	\$ 359,839	\$ 349,570	

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
Expenditures:				
Public works:				
Capital outlay	70,819	-	-	-
Total expenditures	70,819	-	-	-
Excess (deficiency) of revenues over expenditures	(70,819)	-	-	-
Net change in fund balance	(70,819)	-	-	-
Fund balance, beginning of year	70,819	70,819	70,819	-
Fund balance, end of year	\$ -	\$ 70,819	\$ 70,819	-

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, 2007

	Budgeted Amounts		Actual Amounts		Variance with Final Budget- Positive (Negative)
	Original	Final			
Revenues:					
Taxes	\$ 1,183,000	\$ 1,183,000	\$ 1,130,555	\$	(52,445)
Intergovernmental	185,565	254,483	-		(254,483)
Interest on investments	25,000	35,000	48,982		13,982
Other revenues	-	-	750		750
Total revenues	1,393,565	1,472,483	1,180,287		(292,196)
Expenditures:					
Public works:					
Current	1,026,386	1,090,536	1,070,782		19,754
Capital outlay	4,239,447	3,876,616	2,686,024		1,190,592
Total expenditures	5,265,833	4,967,152	3,756,806		1,210,346
Excess (deficiency) of revenues over expenditures	(3,872,268)	(3,494,669)	(2,576,519)		918,150
Other financing sources (uses):					
Transfers out	-	(209,000)	(209,000)		-
Total other financing sources (uses)	-	(209,000)	(209,000)		-
Net change in fund balance	(3,872,268)	(3,703,669)	(2,785,519)		918,150
Fund balance, beginning of year	4,746,311	4,746,311	4,746,311		-
Fund balance, end of year	\$ 874,043	\$ 1,042,642	\$ 1,960,792	\$	918,150

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ 168,647	\$ 161,197	\$ 57,676	\$ (103,521)
Total revenues	168,647	161,197	57,676	(103,521)
Expenditures:				
Public works:				
Capital outlay	260,689	294,410	133,090	161,320
Total expenditures	260,689	294,410	133,090	161,320
Excess (deficiency) of revenues over expenditures	(92,042)	(133,213)	(75,414)	57,799
Net change in fund balance	(92,042)	(133,213)	(75,414)	57,799
Fund balance, beginning of year	194,862	194,862	194,862	-
Fund balance, end of year	\$ 102,820	\$ 61,649	\$ 119,448	\$ 57,799

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, 2007

	Budgeted Amounts		Actual Amounts		Variance with Final Budget- Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental	\$ 897,078	\$ 898,188	\$ 788,684	\$	(109,504)
Other revenue	92	-	-		-
Total revenues	897,170	898,188	788,684		(109,504)
Expenditures:					
Public works:					
Capital outlay	1,343,129	1,808,966	1,259,138		549,828
Total expenditures	1,343,129	1,808,966	1,259,138		549,828
Excess (deficiency) of revenues over expenditures	(445,959)	(910,778)	(470,454)		440,324
Other financing sources (uses):					
Transfers in	-	800,000	800,000		-
Transfers out	-	(1,950)	(1,950)		-
Total other financing sources (uses)	-	798,050	798,050		-
Net change in fund balance	(445,959)	(112,728)	327,596		440,324
Fund balance, beginning of year	157,715	157,715	157,715		-
Fund balance, end of year	\$ (288,244)	\$ 44,987	\$ 485,311	\$	440,324

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ 2,118,780	\$ 2,610,368	\$ 100,000	\$ (2,510,368)
Other revenue	-	116,736	178,983	62,247
Total revenues	2,118,780	2,727,104	278,983	(2,448,121)
Expenditures:				
Public works:				
Current	12,700	22,036	66,955	(44,919)
Capital outlay	6,869,752	10,219,953	4,768,379	5,451,574
Total expenditures	6,882,452	10,241,989	4,835,334	5,406,655
Excess (deficiency) of revenues over expenditures	(4,763,672)	(7,514,885)	(4,556,351)	2,958,534
Other financing sources (uses):				
Transfers in	-	2,601,000	2,601,000	-
Transfers out	-	(270,000)	(270,000)	-
Total other financing sources (uses)	-	2,331,000	2,331,000	-
Net change in fund balance	(4,763,672)	(5,183,885)	(2,225,351)	2,958,534
Fund balance, beginning of year	5,346,857	5,346,857	5,346,857	-
Fund balance, end of year	\$ 583,185	\$ 162,972	\$ 3,121,506	\$ 2,958,534

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ 94,130	\$ 94,130	\$ -	\$ (94,130)
Other revenue	-	26,400	26,400	-
Total revenues	94,130	120,530	26,400	(94,130)
Expenditures:				
Public works:				
Current	-	-	90,312	(90,312)
Capital outlay	480,993	1,453,469	240,953	1,212,516
Total expenditures	480,993	1,453,469	331,265	1,122,204
Excess (deficiency) of revenues over expenditures	(386,863)	(1,332,939)	(304,865)	1,028,074
Other financing sources (uses):				
Operating transfers in	-	900,000	900,000	-
Total other financing sources (uses)	-	900,000	900,000	-
Net change in fund balance	(386,863)	(432,939)	595,135	1,028,074
Fund balance, beginning of year	486,915	486,915	486,915	-
Fund balance, end of year	\$ 100,052	\$ 53,976	\$ 1,082,050	\$ 1,028,074

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
Expenditures:				
Public works:				
Capital outlay	100,498	300,498	33,883	266,615
Total expenditures	100,498	300,498	33,883	266,615
Excess (deficiency) of revenues over expenditures	(100,498)	(300,498)	(33,883)	266,615
Other financing sources (uses):				
Operating transfers in	-	200,000	200,000	-
Total other financing sources (uses)	-	200,000	200,000	-
Net change in fund balance	(100,498)	(100,498)	166,117	266,615
Fund balance, beginning of year	104,448	104,448	104,448	-
Fund balance, end of year	\$ 3,950	\$ 3,950	\$ 270,565	\$ 266,615

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ 762,393	\$ 1,200,245	\$ 110,380	\$ (1,089,865)
Total revenues	762,393	1,200,245	110,380	(1,089,865)
Expenditures:				
Community welfare:				
Current	-	-	127,431	(127,431)
Capital outlay	339,114	1,401,092	14,700	1,386,392
Total expenditures	339,114	1,401,092	142,131	1,258,961
Excess (deficiency) of revenues over expenditures	423,279	(200,847)	(31,751)	169,096
Other financing sources (uses):				
Transfers in	-	19,327	19,327	-
Transfers out	-	(23,989)	(23,989)	-
Total other financing sources (uses)	-	(4,662)	(4,662)	-
Net change in fund balance	423,279	(205,509)	(36,413)	169,096
Fund balance, beginning of year	219,138	219,138	219,138	-
Fund balance, end of year	\$ 642,417	\$ 13,629	\$ 182,725	\$ 169,096

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, 2007

	Budgeted Amounts		Actual Amounts		Variance with Final Budget- Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental	\$ -	\$ 16,000	\$ 16,000	\$ -	
Other revenue	-	2,000	4,600		
Total revenues	-	18,000	20,600	-	
Expenditures:					
Culture and recreation:					
Current	117,220	697,140	138,498	558,642	
Total expenditures	117,220	697,140	138,498	558,642	
Excess (deficiency) of revenues over expenditures	(117,220)	(679,140)	(117,898)	558,642	
Other financing sources (uses):					
Transfers in	-	443,325	443,325	-	
Total other financing sources (uses)	-	443,325	443,325	-	
Net change in fund balance	(117,220)	(235,815)	325,427	561,242	
Fund balance, beginning of year	272,143	272,143	272,143	-	
Fund balance, end of year	\$ 154,923	\$ 36,328	\$ 597,570	\$ 561,242	

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	-
Total revenues	-	-	-	-
Expenditures:				
Culture and recreation:				
Capital outlay	72,000	356,000	108,339	247,661
Total expenditures	72,000	356,000	108,339	247,661
Excess (deficiency) of revenues over expenditures	(72,000)	(356,000)	(108,339)	247,661
Net change in fund balance	(72,000)	(356,000)	(108,339)	247,661
Fund balance, beginning of year	356,000	356,000	356,000	-
Fund balance, end of year	\$ 284,000	\$ -	\$ 247,661	\$ 247,661

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, 2007

	Budgeted Amounts		Actual Amounts		Variance with Final Budget- Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental	\$ -	\$ 4,674	\$ -	\$ -	(4,674)
Total revenues	-	4,674	-	-	(4,674)
Expenditures:					
Culture and recreation:					
Capital outlay	-	6,674	1,009		5,665
Total expenditures	-	6,674	1,009		5,665
Excess (deficiency) of revenues over expenditures	-	(2,000)	(1,009)		991
Other financing sources (uses):					
Operating transfers in	-	2,000	2,000		-
Total other financing sources (uses)	-	2,000	2,000		-
Net change in fund balance	-	-	991		991
Fund balance, beginning of year	633	633	633		-
Fund balance, end of year	\$ 633	\$ 633	\$ 1,624	\$	991

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ 404,782	\$ 4,096,975	\$ 303,018	\$ (3,793,957)
Other revenue	-	1,200	1,200	-
Total revenues	404,782	4,098,175	304,218	(3,793,957)
Expenditures:				
Culture and recreation:				
Current	30,938	53,397	522,133	(468,736)
Capital outlay	3,467,321	9,760,989	2,985,300	6,775,689
Total expenditures	3,498,259	9,814,386	3,507,433	6,306,953
Excess (deficiency) of revenues over expenditures	(3,093,477)	(5,716,211)	(3,203,215)	2,512,996
Other financing sources (uses):				
Transfers in	84,000	1,899,005	1,899,005	-
Transfers out	-	(237,268)	(237,268)	-
Total other financing sources (uses)	84,000	1,661,737	1,661,737	-
Net change in fund balance	(3,009,477)	(4,054,474)	(1,541,478)	2,512,996
Fund balance, beginning of year	4,326,766	4,326,766	4,326,766	-
Fund balance, end of year	\$ 1,317,289	\$ 272,292	\$ 2,785,288	\$ 2,512,996

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Intergovernmental	\$ 283,364	\$ 545,650	\$ 218,612	\$ (327,038)
Total revenues	283,364	545,650	218,612	(327,038)
Expenditures:				
Culture and recreation:				
Current	20,000	72,019	52,459	19,560
Capital outlay	1,816,545	1,528,454	672,527	855,927
Total expenditures	1,836,545	1,600,473	724,986	875,487
Excess (deficiency) of revenues over expenditures	(1,553,181)	(1,054,823)	(506,374)	548,449
Other financing sources (uses):				
Transfers in	20,000	898,469	898,469	-
Transfers out	-	(189,005)	(189,005)	-
Total other financing sources (uses)	20,000	709,464	709,464	-
Net change in fund balance	(1,533,181)	(345,359)	203,090	548,449
Fund balance, beginning of year	899,819	899,819	899,819	-
Fund balance, end of year	\$ (633,362)	\$ 554,460	\$ 1,102,909	\$ 548,449

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amount	
Revenues:				
Intergovernmental	\$ 1,065,770	\$ 678,150	\$ 678,150	\$ -
Total revenues	1,065,770	678,150	678,150	-
Expenditures:				
Cultural and Recreation:				
Capital Outlay	405,924	3,310,428	3,243,647	66,781
Total expenditures	405,924	3,310,428	3,243,647	66,781
Excess (deficiency) of revenues over expenditures	659,846	(2,632,278)	(2,565,497)	66,781
Other financing sources (uses):				
Transfers in	-	89,000	89,000	-
Total other financing sources (uses)	-	89,000	89,000	-
Net changes in fund balance	659,846	(2,543,278)	(2,476,497)	66,781
Fund balance, beginning of year	2,543,279	2,543,279	2,543,279	-
Fund balance, end of year	\$ 3,203,125	\$ 1	\$ 66,782	\$ 66,781

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Taxes	\$ 15,191,992	\$ 15,191,992	\$ 15,567,596	\$ 375,604
Other Revenue	-	1,300	1,300	-
Total revenues	15,191,992	15,193,292	15,568,896	375,604
Expenditures:				
General government:				
Current	2,248,445	2,383,175	2,096,370	286,805
Capital outlay	40,855	815,055	554,600	260,455
Other	-	-	90,081	(90,081)
Total expenditures	2,289,300	3,198,230	2,741,051	457,179
Excess (deficiency) of revenues over expenditures	12,902,692	11,995,062	12,827,845	832,783
Other financing sources (uses):				
Transfers in	22,760	22,760	22,760	-
Transfers out	(10,747,430)	(12,136,730)	(12,136,730)	-
Total other financing sources (uses)	(10,724,670)	(12,113,970)	(12,113,970)	-
Net change in fund balance	2,178,022	(118,908)	713,875	832,783
Fund balance, beginning of year	27,715,858	27,715,858	27,715,858	-
Fund balance, end of year	\$ 29,893,880	\$ 27,596,950	\$ 28,429,733	\$ 832,783

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Major Governmental Fund
Debt Service Fund
Budget vs Actual

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

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, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 230,400	\$ 2,866,200	\$ 2,743,545	\$ (122,655)
Total revenues	230,400	2,866,200	2,743,545	(122,655)
Expenditures:				
Debt service:				
Principal payments	6,030,861	22,635,861	22,635,861	-
Interest and fiscal agent fees	6,048,900	10,173,928	9,901,017	272,911
Bond issuance costs	134,288	631,240	612,356	18,884
Total expenditures	12,214,049	33,441,029	33,149,234	291,795
Excess (deficiency) of revenues over expenditures	(11,983,649)	(30,574,829)	(30,405,689)	169,140
Other financing sources (uses):				
Operating transfers in	12,199,926	18,440,213	17,085,180	(1,355,033)
Operating transfers out	(145,000)	(64,603,621)	(64,603,621)	-
HUD loan payments(flow through)	-	-	25,656	25,656
Issuance of bonds				
Face value of bonds issued	-	24,940,000	24,940,000	-
Premium on issuance of bond	-	304,845	785,088	480,243
Total other financing sources (uses)	12,054,926	(20,918,563)	(21,767,697)	(849,134)
Net change in fund balance	71,277	(51,493,392)	(52,173,386)	(679,994)
Fund balance, beginning of year	70,710,014	70,710,014	70,710,014	-
Fund balance, end of year	\$ 70,781,291	\$ 19,216,622	\$ 18,536,628	\$ (679,994)

Nonmajor Enterprise Funds

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

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 (GCCC) - to account for the operation of the community recreational center.

Major Enterprise Funds Budget vs Actual

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

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

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.

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

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CITY OF SANTA FE, NEW MEXICO
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2007

	Solid Waste Management	Parking Enterprise Fund	Transit Bus System
Assets			
Current assets:			
Cash, investments and cash equivalents	\$ 4,950,833	\$ 7,825,197	\$ 1,292,983
Grants receivable	-	13,380	431,879
Accounts receivable (net of allowances)	1,536,358	67,672	7,347
Interest receivable	28,631	42,518	5,800
Total current assets	6,515,822	7,948,767	1,738,009
Capital assets:			
Land and land rights	-	-	-
Buildings and systems	361,316	2,334,359	3,704,468
Less accumulated depreciation	(8,181)	(863,079)	(647,954)
Improvements	533,179	113,620	766,447
Less accumulated depreciation	(218,504)	(113,620)	(664,198)
Furniture and fixtures	23,571	25,754	9,043
Less accumulated depreciation	(21,195)	(20,507)	(4,076)
Equipment and machinery	731,394	300,332	805,671
Less accumulated depreciation	(612,930)	(231,760)	(611,909)
Vehicles	8,149,473	220,131	5,723,438
Less accumulated depreciation	(5,181,054)	(184,608)	(4,541,845)
Data processing equipment and software	102,134	722,933	335,977
Less accumulated depreciation	(63,771)	(694,844)	(149,403)
Art	-	-	180,971
Construction in progress	176,312	12,034,890	676,766
Total capital assets (net of accumulated depreciation)	3,971,744	13,643,601	5,583,396
Total noncurrent assets	3,971,744	13,643,601	5,583,396
Total assets	\$ 10,487,566	\$ 21,592,368	\$ 7,321,405
Liabilities			
Current liabilities:			
Accounts payable	\$ 167,141	\$ 821,157	\$ 83,342
Miscellaneous payable	36,685	-	-
Compensated absences payable	374,749	223,947	397,870
Accrued wages payable	140,240	96,870	163,371
Benefits payable	36,998	22,361	28,096
Deposits and escrows	-	7,281	-
Due to other funds	-	-	-
Total current liabilities	755,813	1,171,616	672,679
Total liabilities	755,813	1,171,616	672,679
Net assets			
Invested in capital assets, net of related debt	3,971,744	3,677,212	5,583,396
Restricted for capital projects	-	728,805	-
Unrestricted	5,760,009	16,014,735	1,065,330
Total net assets	\$ 9,731,753	\$ 20,420,752	\$ 6,648,726

Airport	GCCC	Totals	
			Assets
			Current assets:
\$ -	\$ 1,074,326	\$ 15,143,339	Cash, investments and cash equivalents
910,808	10,525	1,366,592	Grants receivable
-	6,221	1,617,598	Accounts receivable (net of allowances)
2,099	5,895	84,943	Interest receivable
912,907	1,096,967	18,212,472	Total current assets
			Capital assets:
1	2,072,067	2,072,068	Land and land rights
755,998	23,405,214	30,561,355	Buildings and systems
(106,784)	(3,674,232)	(5,300,230)	Less accumulated depreciation
5,413,589	94,621	6,921,456	Improvements
(4,938,549)	(65,446)	(6,000,317)	Less accumulated depreciation
-	40,830	99,198	Furniture and fixtures
-	(39,677)	(85,455)	Less accumulated depreciation
712,657	465,804	3,015,858	Equipment and machinery
(593,399)	(366,096)	(2,416,094)	Less accumulated depreciation
545,473	43,901	14,682,416	Vehicles
(32,469)	(20,726)	(9,960,702)	Less accumulated depreciation
5,790	234,763	1,401,597	Data processing equipment and software
(5,790)	(185,668)	(1,099,476)	Less accumulated depreciation
-	-	180,971	Art
9,105,207	5,356	21,998,531	Construction in progress
10,861,724	22,010,711	56,071,176	Total capital assets (net of accumulated depreciation)
10,861,724	22,010,711	56,071,176	Total noncurrent assets
\$ 11,774,631	\$ 23,107,678	\$ 74,283,648	Total assets
			Liabilities
			Current liabilities:
\$ 18,930	\$ 92,102	\$ 1,182,672	Accounts payable
117	7,332	44,134	Miscellaneous payable
68,178	251,527	1,316,271	Compensated absences payable
23,161	126,837	550,479	Accrued wages payable
-	3,608	91,063	Benefits payable
-	3,735	11,016	Deposits and escrows
368,532	-	368,532	Due to other funds
478,918	485,141	3,564,167	Total current liabilities
478,918	485,141	3,564,167	Total liabilities
			Net assets
10,861,724	22,010,711	46,104,787	Invested in capital assets, net of related debt
-	-	728,805	Restricted for capital projects
433,989	611,826	23,885,889	Unrestricted
\$ 11,295,713	\$ 22,622,537	\$ 70,719,481	Total net assets

Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2007

	Solid Waste Management	Parking Enterprise Fund	Transit Bus System
Operating revenues:			
User fees	\$ 9,249,160	\$ 3,726,114	\$ 316,485
Facilities rentals	-	-	-
Other revenue	57,706	608,563	141,379
Total operating revenues	9,306,866	4,334,677	457,864
Operating expenses:			
Salaries, wages and benefits	3,728,584	2,485,278	4,348,971
Contractual services and utilities	1,773,795	432,731	211,884
Repairs and maintenance	434,716	108,601	265,601
Supplies	611,950	136,119	461,646
Capital outlay-inventory exempt items	604,947	16,732	170,881
Depreciation expense	831,431	107,049	874,986
Insurance	293,193	144,559	239,467
Other	609,474	763,690	501,444
Total operating expenses	8,888,090	4,194,759	7,074,880
Operating income (loss)	418,776	139,918	(6,617,016)
Non-operating revenues (expenses):			
Investment income	254,924	347,833	59,186
Intergovernmental	-	-	1,340,619
Gain (Loss) on sale of capital assets	37,655	(340)	-
Total non-operating revenues (expenses)	292,579	347,493	1,399,805
Income (loss) before transfers	711,355	487,411	(5,217,211)
Transfers in	13,000	13,971,376	4,268,205
Transfers out	-	(434,009)	-
Change in net assets	724,355	14,024,778	(949,006)
Net assets, beginning of year	9,007,398	6,395,974	7,597,732
Net assets, end of year	\$ 9,731,753	\$ 20,420,752	\$ 6,648,726

Airport		GCCC		Totals		
\$	387,898	\$	1,433,055	\$	15,112,712	Operating revenues:
	185,682		370,988		556,670	User fees
	2,325		13,829		823,802	Facilities rentals
	575,905		1,817,872		16,493,184	Other revenue
						Total operating revenues
	682,104		2,843,296		14,088,233	Operating expenses:
	112,631		696,907		3,227,948	Salaries, wages and benefits
	11,979		72,829		893,726	Contractual services and utilities
	25,359		183,348		1,418,422	Repairs and maintenance
	4,460		115,090		912,110	Supplies
	297,043		529,156		2,639,665	Capital outlay-inventory exempt items
	36,082		86,363		799,664	Depreciation expense
	64,587		368,303		2,307,498	Insurance
						Other
	1,234,245		4,895,292		26,287,266	Total operating expenses
	(658,340)		(3,077,420)		(9,794,082)	Operating income (loss)
	22,654		52,246		736,843	Non-operating revenues (expenses):
	4,825,814		36,834		6,203,267	Investment income
	-		-		37,315	Intergovernmental
	4,848,468		89,080		6,977,425	Gain (Loss) on sale of capital assets
						Total non-operating revenues (expenses)
	4,190,128		(2,988,340)		(2,816,657)	Income (loss) before transfers
	277,799		2,476,769		21,007,149	Transfers in
	-		(22,760)		(456,769)	Transfers out
	4,467,927		(534,331)		17,733,723	Change in net assets
	6,827,786		23,156,868		52,985,758	Net assets, beginning of year
\$	11,295,713	\$	22,622,537	\$	70,719,481	Net assets, end of year

CITY OF SANTA FE, NEW MEXICO
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2007

	Solid Waste Management	Parking Enterprise Fund	Transit Bus System
Cash flows from operating activities:			
Cash received from customers	\$ 8,942,440	\$ 4,331,811	\$ 450,517
Cash payments to suppliers for goods and services	(3,668,111)	(608,824)	(1,459,485)
Cash paid for interfund services provided and used	(550,065)	(258,551)	(391,787)
Cash payments to employees for services	(3,738,119)	(2,462,264)	(4,272,263)
Net cash provided (used) by operating activities:	986,145	1,002,172	(5,673,018)
Cash flows from noncapital financing activities:			
Intergovernmental	-	83,010	1,072,754
Transfers-in from other funds	13,000	15,188,376	4,268,205
Transfers-out to other funds	-	(1,651,009)	-
Net cash provided (used) by noncapital financing activities	13,000	13,620,377	5,340,959
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(703,674)	(10,789,382)	(470,883)
Proceeds from sale of capital assets	37,655	-	-
Net cash used for capital and related financing activities	(666,019)	(10,789,382)	(470,883)
Cash flows from investing activities:			
Interest and dividends on investments	245,330	328,390	63,432
Net cash provided by investing activities	245,330	328,390	63,432
Net increase (decrease) in cash and cash equivalents	578,456	4,161,557	(739,510)
Cash, investments and cash equivalents at beginning of year	4,372,377	3,663,640	2,032,493
Cash, investments and cash equivalents at end of year	\$ 4,950,833	\$ 7,825,197	\$ 1,292,983
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 418,632	\$ 139,918	\$ (6,617,016)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation/amortization	831,431	107,049	874,986
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(364,282)	(2,866)	(7,347)
(Increase) decrease in deferred charges	122,843	93,359	137,293
Increase (decrease) in notes payable	(122,843)	(93,359)	(137,293)
Increase (decrease) in accounts payable	134,637	734,787	(349)
Increase (decrease) in compensated absences payable	11,666	13,758	68,720
Increase (decrease) in accrued wages payable	(21,201)	9,256	7,988
Increase (decrease) in escrow	-	270	-
Increase (decrease) in benefits payable	-	-	-
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in other payable	(24,738)	-	-
Total adjustments	567,513	862,254	943,998
Net cash provided (used) by operating activities	\$ 986,145	\$ 1,002,172	\$ (5,673,018)

Airport	GCCC	Totals	
\$ 574,555	\$ 1,819,783	\$ 16,119,106	Cash flows from operating activities:
177,096	(1,232,763)	(6,792,087)	Cash received from customers
(58,698)	(245,770)	(1,504,871)	Cash payments to suppliers for goods and services
(667,140)	(2,812,424)	(13,952,210)	Cash paid for interfund services provided and used
			Cash payments to employees for services
25,813	(2,471,174)	(6,130,062)	Net cash provided (used) by operating activities:
			Cash flows from noncapital financing activities:
4,039,733	26,309	5,221,806	Intergovernmental
277,799	2,476,769	22,224,149	Transfers-in from other funds
-	(22,760)	(1,673,769)	Transfers-out to other funds
4,317,532	2,480,318	25,772,186	Net cash provided (used) by noncapital financing activities
			Cash flows from capital and related financing activities:
(4,858,101)	(41,985)	(16,864,025)	Acquisition and construction of capital assets
-	-	37,655	Proceeds from sale of capital assets
(4,858,101)	(41,985)	(16,826,370)	Net cash used for capital and related financing activities
			Cash flows from investing activities:
23,563	51,876	712,591	Interest and dividends on investments
23,563	51,876	712,591	Net cash provided by investing activities
(491,193)	19,035	3,528,345	Net increase (decrease) in cash and cash equivalents
491,193	1,055,291	11,614,994	Cash, investments and cash equivalents at beginning of year
\$ -	\$ 1,074,326	\$ 15,143,339	Cash, investments and cash equivalents at end of year
			Reconciliation of operating income (loss) to net cash provided (used) by operating activities:
\$ (659,690)	\$ (3,077,420)	(9,795,576)	Operating income (loss)
			Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
297,043	529,156	2,639,665	Depreciation/amortization
-	1,911	(372,584)	Change in assets and liabilities:
18,306	91,529	463,330	(Increase) decrease in accounts receivable
(18,306)	(91,529)	(463,330)	(Increase) decrease in deferred charges
4,847	36,975	910,897	Increase (decrease) in notes payable
16,068	6,832	117,044	Increase (decrease) in accounts payable
(1,104)	23,572	18,511	Increase (decrease) in compensated absences payable
-	-	270	Increase (decrease) in accrued wages payable
-	468	468	Increase (decrease) in escrow
368,532	-	368,532	Increase (decrease) in benefits payable
117	7,332	(17,289)	Increase (decrease) in due to other funds
			Increase (decrease) in other payable
685,503	606,246	3,665,514	Total adjustments
\$ 25,813	\$ (2,471,174)	\$ (6,130,062)	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
Solid Waste Management
For the Year Ended June 30, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
User fees	\$ 8,520,000	\$ 8,704,080	\$ 9,249,160	\$ 545,080
Other revenues	-	-	57,706	57,706
Total operating revenues	8,520,000	8,704,080	9,306,866	602,786
Operating expenses:				
Salaries, wages and benefits	3,729,795	3,838,204	3,728,584	109,620
Contractual services and utilities	2,162,354	2,233,920	1,773,795	460,125
Repairs and maintenance	328,662	330,947	434,716	(103,769)
Supplies	658,274	657,902	611,950	45,952
Capital outlay-exempt items	941,403	2,879,261	604,947	2,274,314
Depreciation expense	-	-	831,431	(831,431)
Insurance	275,854	275,854	293,193	(17,339)
Other	565,187	565,187	609,474	(44,287)
Total operating expenses	8,661,529	10,781,275	8,888,090	1,893,185
Operating income (loss)	(141,529)	(2,077,195)	418,776	2,495,971
Non-operating revenues (expenses):				
Investment income	79,164	79,164	254,924	175,760
Gain (Loss) on sale of capital assets	-	-	37,655	37,655
Total non-operating revenues (expenses)	79,164	79,164	292,579	213,415
Income (loss) before transfers	(62,365)	(1,998,031)	711,355	2,709,386
Transfers in	11,000	256,469	13,000	(243,469)
Change in net assets	(51,365)	(1,741,562)	724,355	2,465,917
Net assets, beginning of year	9,007,398	9,007,398	9,007,398	-
Net assets, end of year	\$ 8,956,033	\$ 7,265,836	\$ 9,731,753	\$ 2,465,917

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
User fees	\$ 3,329,390	\$ 3,470,124	\$ 3,726,114	\$ 255,990
Other revenue	595,000	617,000	608,563	(8,437)
Total operating revenues	3,924,390	4,087,124	4,334,677	247,553
Operating expenses:				
Salaries, wages and benefits	2,524,671	2,692,309	2,485,278	207,031
Contractual services and utilities	383,073	528,197	432,731	95,466
Repairs and maintenance	683,855	624,587	108,601	515,986
Supplies	125,400	148,321	136,119	12,202
Capital outlay-exempt items	13,069,200	14,957,563	16,732	14,940,831
Depreciation expense	-	-	107,049	(107,049)
Insurance	139,225	144,559	144,559	-
Other	597,715	769,565	763,690	5,875
Total operating expenses	17,523,139	19,865,101	4,194,759	15,670,342
Operating income (loss)	(13,598,749)	(15,777,977)	139,918	15,917,895
Non-operating revenues (expenses):				
Investment income	366,000	261,000	347,833	86,833
Gain (Loss) on sale of capital assets	-	-	(340)	(340)
Interest expense	(434,009)	-	-	-
Total non-operating revenues (expenses)	(68,009)	261,000	347,493	86,493
Income (loss) before transfers	(13,666,758)	(15,516,977)	487,411	16,004,388
Transfers in	66,000	15,188,376	13,971,376	(1,217,000)
Transfers out	-	(1,651,009)	(434,009)	1,217,000
Change in net assets	(13,600,758)	(1,979,610)	14,024,778	16,004,388
Net assets, beginning of year	6,395,974	6,395,974	6,395,974	-
Net assets, end of year	\$ (7,204,784)	\$ 4,416,364	\$ 20,420,752	\$ 16,004,388

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
User fees	\$ 353,882	\$ 353,882	\$ 316,485	\$ (37,397)
Other revenue	140,000	140,000	141,379	1,379
Total operating revenues	493,882	493,882	457,864	(36,018)
Operating expenses:				
Salaries, wages and benefits	4,269,179	4,541,295	4,348,971	192,324
Contractual services and utilities	152,800	287,308	211,884	75,424
Repairs and maintenance	285,700	295,550	265,601	29,949
Supplies	433,455	506,549	461,646	44,903
Capital outlay-exempt items	563,951	3,223,215	170,881	3,052,334
Depreciation expense	-	-	874,986	(874,986)
Insurance	239,467	239,467	239,467	-
Other	523,376	526,248	501,444	24,804
Total operating expenses	6,467,928	9,619,632	7,074,880	2,544,752
Operating income (loss)	(5,974,046)	(9,125,750)	(6,617,016)	2,508,734
Non-operating revenues (expenses):				
Investment income	57,000	43,000	59,186	16,186
Intergovernmental	1,048,975	3,522,273	1,340,619	(2,181,654)
Total non-operating revenues (expenses)	1,105,975	3,565,273	1,399,805	(2,165,468)
Income (loss) before transfers	(4,868,071)	(5,560,477)	(5,217,211)	343,266
Transfers in	4,268,205	4,268,205	4,268,205	-
Change in net assets	(599,866)	(1,292,272)	(949,006)	343,266
Net assets, beginning of year	7,597,732	7,597,732	7,597,732	-
Net assets, end of year	\$ 6,997,866	\$ 6,305,460	\$ 6,648,726	\$ 343,266

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
User fees	\$ 367,500	\$ 357,500	\$ 387,898	\$ 30,398
Facilities rentals	165,450	165,450	185,682	20,232
Other revenue	-	1,350	2,325	975
Total operating revenues	532,950	524,300	575,905	51,605
Operating expenses:				
Salaries, wages and benefits	698,448	710,075	682,104	27,971
Contractual services and utilities	101,625	102,315	112,631	(10,316)
Repairs and maintenance	12,401	19,754	11,979	7,775
Supplies	28,713	36,344	25,359	10,985
Capital outlay-exempt items	3,792,267	6,867,927	4,460	6,863,467
Depreciation expense	-	-	297,043	(297,043)
Insurance	41,767	41,767	36,082	5,685
Other	59,548	67,096	64,587	2,509
Total operating expenses	4,734,769	7,845,278	1,234,245	6,611,033
Operating income (loss)	(4,201,819)	(7,320,978)	(658,340)	6,662,638
Non-operating revenues (expenses):				
Investment income	11,500	16,630	22,654	6,024
Intergovernmental	4,367,804	6,755,946	4,825,814	(1,930,132)
Total non-operating revenues (expenses)	4,379,304	6,772,576	4,848,468	(1,924,108)
Income (loss) before transfers	177,485	(548,402)	4,190,128	4,738,530
Transfers in	230,000	277,799	277,799	-
Transfers out	-	-	-	-
Change in net assets	407,485	(270,603)	4,467,927	4,738,530
Net assets, beginning of year	6,827,786	6,827,786	6,827,786	-
Net assets, end of year	\$ 7,235,271	\$ 6,557,183	\$ 11,295,713	\$ 4,738,530

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
User fees	\$ 1,375,452	\$ 1,562,452	\$ 1,433,055	\$ (129,397)
Facilities rental	341,300	360,075	370,988	10,913
Other revenue	11,000	17,000	13,829	(3,171)
Total operating revenues	1,727,752	1,939,527	1,817,872	(121,655)
Operating expenses:				
Salaries, wages and benefits	2,699,538	3,101,613	2,843,296	258,317
Contractual services and utility	662,666	713,006	696,907	16,099
Repairs and maintenance	115,620	102,140	72,829	29,311
Supplies	117,731	225,062	183,348	41,714
Capital outlay-exempt items	99,412	170,186	115,090	55,096
Depreciation expense	-	-	529,156	(529,156)
Insurance	93,863	93,863	86,363	7,500
Other	361,238	366,897	368,303	(1,406)
Total operating expenses	4,150,068	4,772,767	4,895,292	(122,525)
Operating income (loss)	(2,422,316)	(2,833,240)	(3,077,420)	(244,180)
Non-operating revenues (expenses):				
Investment income	26,500	36,700	52,246	15,546
Intergovernmental	-	36,868	36,834	(34)
Total non-operating revenues (expenses)	26,500	73,568	89,080	15,512
Income (loss) before transfers	(2,395,816)	(2,759,672)	(2,988,340)	(228,668)
Transfers in	2,201,250	2,476,769	2,476,769	-
Transfers out	(22,760)	(22,760)	(22,760)	-
Change in net assets	(217,326)	(305,663)	(534,331)	(228,668)
Net assets, beginning of year	23,156,868	23,156,868	23,156,868	-
Net assets, end of year	\$ 22,939,542	\$ 22,851,205	\$ 22,622,537	\$ (228,668)

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
User fees	\$ 8,269,362	\$ 8,847,362	\$ 8,718,755	\$ (128,607)
Other revenue	-	-	6,334	6,334
Total operating revenues	8,269,362	8,847,362	8,725,089	(122,273)
Operating expenses:				
Salaries, wages and benefits	4,154,646	4,196,492	4,193,930	2,562
Contractual services and utilities	1,111,960	1,285,295	667,235	618,060
Repairs and maintenance	559,840	859,894	665,198	194,696
Supplies	383,782	440,824	376,810	64,014
Capital outlay-exempt items	590,445	17,088,301	32,703	17,055,598
Depreciation expense	-	-	2,687,484	(2,687,484)
Insurance	581,019	581,019	597,796	(16,777)
Other	607,452	608,682	622,613	(13,931)
Total operating expenses	7,989,144	25,060,507	9,843,769	15,216,738
Operating income (loss)	280,218	(16,213,145)	(1,118,680)	15,094,465
Non-operating revenues (expenses):				
Investment income	575,800	762,100	985,941	223,841
Gain/loss on sale of capital assets	-	-	(1,543)	(1,543)
Intergovernmental	-	285,876	82,458	(203,418)
Interest expense	-	-	(35,825)	(35,825)
Total non-operating revenues (expenses)	575,800	1,047,976	1,031,031	(16,945)
Income (loss) before transfers	856,018	(15,165,169)	(87,649)	15,077,520
Transfers in	-	4,600,000	4,600,000	-
Transfers out	(33,333)	(731,110)	(731,110)	-
Change in net assets	822,685	(11,296,279)	3,781,241	15,077,520
Net assets, beginning of year	43,964,973	43,964,973	43,964,973	-
Net assets, end of year	\$ 44,787,658	\$ 32,668,694	\$ 47,746,214	\$ 15,077,520

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
User fees	\$ 26,323,000	\$ 26,403,000	\$ 29,132,054	\$ 2,729,054
Facilities rental	-	-	26,223	26,223
Other revenue	28,000	381,055	33,869	(347,186)
Total operating revenues	26,351,000	26,784,055	29,192,146	2,408,091
Operating expenses:				
Salaries, wages and benefits	6,297,217	8,164,069	7,575,779	588,290
Contractual services and utilities	7,909,255	7,487,322	3,480,484	4,006,838
Repairs and maintenance	1,065,380	1,255,718	851,997	403,721
Supplies	781,220	1,036,038	893,543	142,495
Capital outlay-exempt items	15,385,367	35,076,825	125,311	34,951,514
Depreciation expense	-	-	3,512,978	(3,512,978)
Amortization	-	-	1,361,757	(1,361,757)
Insurance	413,550	485,887	491,417	(5,530)
Other	1,252,678	1,476,261	1,480,206	(3,945)
Total operating expenses	33,104,667	54,982,120	19,773,472	35,208,648
Operating income (loss)	(6,753,667)	(28,198,065)	9,418,674	37,616,739
Non-operating revenues (expenses):				
Investment income	1,245,500	2,099,300	2,643,304	544,004
Intergovernmental				
State-shared taxes	7,596,000	7,596,000	7,503,425	(92,575)
Grants	-	14,411,810	2,823,663	(11,588,147)
Gain on sale of capital assets	-	-	6,209	6,209
Interest expense	(7,088,436)	(8,711,316)	(3,835,377)	4,875,939
Capital Contribution	-	-	379,523	379,523
Total non-operating revenues (expenses)	1,753,064	15,395,794	9,520,747	(5,875,047)
Income (loss) before transfers	(5,000,603)	(12,802,271)	18,939,421	31,741,692
Transfers in	266,587	266,587	266,587	-
Transfers out	(82,000)	(82,000)	(82,000)	-
Change in net assets	(4,816,016)	(12,617,684)	19,124,008	31,741,692
Net assets, beginning of year	65,514,593	65,514,593	65,514,593	-
Net assets, end of year	\$ 60,698,577	\$ 52,896,909	\$ 84,638,601	\$ 31,741,692

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
User fees	\$ 1,480,400	\$ 1,480,400	\$ 1,035,847	\$ (444,553)
Other revenue	127,000	127,000	113,827	(13,173)
Total operating revenues	1,607,400	1,607,400	1,149,674	(457,726)
Operating expenses:				
Salaries, wages, and benefits	444,669	459,281	434,333	(24,948)
Contractual services	271,310	271,749	233,786	(37,963)
Repairs and maintenance	12,000	12,000	8,576	(3,424)
Supplies	58,346	60,930	60,436	(494)
Capital outlay-exempt items	391,784	506,924	4,153	(502,771)
Depreciation expense	-	-	1,409,337	1,409,337
Amortization expense	-	-	19,670	19,670
Insurance	60,612	60,612	60,612	-
Other	229,966	230,774	203,717	(27,057)
Total operating expenses	1,468,687	1,602,270	2,434,620	832,350
Operating income (loss)	138,713	5,130	(1,284,946)	(1,290,076)
Non-operating revenues (expenses):				
Investment income	20,500	33,900	33,247	(653)
Intergovernmental	237,638	326,378	1,315	(325,063)
Interest expense	(1,283,123)	(1,276,128)	(586,608)	689,520
Gain on sale of capital assets	-	-	3,960	3,960
Total non-operating revenues (expenses)	(1,024,985)	(915,850)	(548,086)	367,764
Income (loss) before transfers	(886,272)	(910,720)	(1,833,032)	(922,312)
Transfers in	902,430	927,412	927,412	-
Transfers out	(10,000)	(10,000)	(10,000)	-
Change in net assets	6,158	6,692	(915,620)	(922,312)
Net assets, beginning of year	(6,964,185)	(6,964,185)	(6,964,185)	-
Net assets, end of year	\$ (6,958,027)	\$ (6,957,493)	\$ (7,879,805)	\$ (922,312)

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, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Facilities rental	\$ 373,221	\$ 373,221	\$ 273,221	\$ (100,000)
Other revenue		8,534,458	-	(8,534,458)
Total operating revenues	373,221	8,907,679	273,221	(8,634,458)
Operating expenses:				
Contractual services and utility	14,217	96,975	153,234	(56,259)
Capital outlay-exempt items	6,240,786	19,141,952	-	19,141,952
Other operating	907	907	907	-
Total operating expenses	6,255,910	19,239,834	154,141	19,085,693
Operating income (loss)	(5,882,689)	(10,332,155)	119,080	10,451,235
Non-operating revenues (expenses):				
Investment income	231,000	537,000	660,977	123,977
Intergovernmental	1,494,157	5,529,030	2,495,258	(3,033,772)
Interest expense	(1,763,187)	(425,129)	(454,562)	(29,433)
Total non-operating revenues (expenses)	(38,030)	5,640,901	2,701,673	(2,939,228)
Income (loss) before transfers	(5,920,719)	(4,691,254)	2,820,753	7,512,007
Transfers in	1,185,090	1,234,763	1,289,653	54,890
Change in net assets	(4,735,629)	(3,456,491)	4,110,406	7,566,897
Net assets, beginning of year	24,943,075	24,943,075	24,943,075	-
Net assets, end of year	\$ 20,207,446	\$ 21,486,584	\$ 29,053,481	\$ 7,566,897

CITY OF SANTA FE, NEW MEXICO
Major Enterprise Fund
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Sweeney Convention Center
For the Year Ended June 30, 2007

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Other revenue	\$ -	\$ -	\$ 200	\$ 200
Total operating revenues	-	-	200	200
Operating expenses:				
Salaries, wages and benefits	144,213	150,187	142,969	7,218
Contractual services and utilities	-	20,000	-	20,000
Supplies	-	4,565	893	3,672
Capital outlay-exempt items	-	48,206,753	5,888	48,200,865
Depreciation expense	-	-	10,574	(10,574)
Other	56,600	57,676	57,676	-
Total operating expenses	200,813	48,439,181	218,000	48,221,181
Operating income (loss)	(200,813)	(48,439,181)	(217,800)	48,221,381
Non-operating revenues (expenses):				
Investment income	275,000	880,500	1,240,774	360,274
Total non-operating revenues (expenses)	275,000	880,500	1,240,774	360,274
Income (loss) before transfers	74,187	(47,558,681)	1,022,974	48,581,655
Transfers in	-	49,593,616	49,593,616	-
Transfers out	(73,300)	(73,300)	(73,300)	-
Change in net assets	887	1,961,635	50,543,290	48,581,655
Net assets, beginning of year	7,667,714	7,667,714	7,667,714	-
Net assets, end of year	\$ 7,668,601	\$ 9,629,349	\$ 58,211,004	\$ 48,581,655

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Internal Service Funds

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

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

Santa Fe Health – 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.

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

CITY OF SANTA FE, NEW MEXICO
Internal Service Funds
Combining Statement of Net Assets
June 30, 2007

	Risk Management	Santa Fe Health	Worker's Compensation	Retiree Health Care	Union Sick Leave Bank	Totals
Assets						
Current assets:						
Cash, investments and cash equivalents	\$ 5,459,337	\$ 5,035,647	\$ 2,696,604	\$ 618,987	\$ 45,801	\$ 13,856,376
Interest receivable	29,057	26,702	14,818	-	-	70,577
Total current assets	5,488,394	5,062,349	2,711,422	618,987	45,801	13,926,953
Noncurrent assets:						
Capital assets:						
Furniture and fixtures	5,520	-	-	-	-	5,520
Less accumulated depreciation	(5,428)	-	-	-	-	(5,428)
Equipment and machinery	12,910	-	-	-	-	12,910
Less accumulated depreciation	(11,603)	-	-	-	-	(11,603)
Data processing equipment and software	17,583	-	-	-	-	17,583
Less accumulated depreciation	(16,594)	-	-	-	-	(16,594)
Vehicles	11,477	-	-	-	-	11,477
Less accumulated depreciation	(11,477)	-	-	-	-	(11,477)
Total capital assets (net of accum depreciation)	2,388	-	-	-	-	2,388
Total noncurrent assets	2,388	-	-	-	-	2,388
Total assets	5,490,782	5,062,349	2,711,422	618,987	45,801	13,929,341
Liabilities						
Current liabilities:						
Accounts payable	85,319	87,017	6,944	-	-	179,280
Compensated absences payable	112,469	-	-	-	-	112,469
Accrued wages payable	37,370	-	784	-	2,865	41,019
Claims payable	2,794,475	1,372,789	2,300,432	-	-	6,467,696
Other payables	4,370	-	681	39,482	-	44,533
Total current liabilities	3,034,003	1,459,806	2,308,841	39,482	2,865	6,844,997
Net Assets						
Invested in capital assets, net of related debt	2,388	-	-	-	-	2,388
Unrestricted	2,454,391	3,602,543	402,581	579,505	42,936	7,081,956
Total net assets	\$ 2,456,779	\$ 3,602,543	\$ 402,581	\$ 579,505	\$ 42,936	\$ 7,084,344

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, 2007

	Risk Management	Santa Fe Health	Worker's Compensation	Retiree Health Care	Union Sick Leave Bank	Totals
Operating revenues:						
Premiums	\$ 5,301,281	\$ 13,083,542	\$ 1,342,439	\$ 2,947,910	\$ 64,291	\$ 22,739,463
Total operating revenues	5,301,281	13,083,542	1,342,439	2,947,910	64,291	22,739,463
Operating expenses:						
Salaries, wages and fringe benefits	930,301	-	2,383	-	-	932,684
Contractual services and utilities	198,684	349,305	53,813	-	-	601,802
Repairs and maintenance	748	-	-	-	-	748
Supplies	47,988	-	-	-	-	47,988
Depreciation expense	2,860	-	-	-	-	2,860
Insurance premiums	2,480,544	355,281	-	3,439,248	-	6,275,073
Claims and judgements	1,263,020	9,998,415	654,658	-	-	11,916,093
Excess insurance	-	323,330	131,730	-	-	455,060
Workers comp administration fee	-	-	248	-	-	248
Other	65,983	1,400	-	335,937	21,355	424,675
Total operating expenses	4,990,128	11,027,731	842,832	3,775,185	21,355	20,657,231
Operating income (loss)	311,153	2,055,811	499,607	(827,275)	42,936	2,082,232
Non-operating revenues (expenses):						
Investment income	249,236	238,124	134,146	67,233	-	688,739
Gain (Loss) on sale of fixed assets	(499)	-	-	-	-	(499)
Total non-operating revenues (expenses)	248,737	238,124	134,146	67,233	-	688,240
Income (loss) before transfers	559,890	2,293,935	633,753	(760,042)	42,936	2,770,472
Other Financing Sources (uses):						
Transfers out	(40,298)	-	-	-	-	(40,298)
Total other financing sources (uses)	(40,298)	-	-	-	-	(40,298)
Change in net assets	519,592	2,293,935	633,753	(760,042)	42,936	2,730,174
Net assets, beginning of year	1,937,187	1,308,608	(231,172)	1,339,547	-	4,354,170
Net assets, end of year	\$ 2,456,779	\$ 3,602,543	\$ 402,581	\$ 579,505	\$ 42,936	\$ 7,084,344

CITY OF SANTA FE, NEW MEXICO
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2007

	Risk Management	Santa Fe Health	Worker's Compensation	Retiree Health Care	Union Sick Leave Bank	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 39,448	\$ 13,083,542	\$ 29,573	\$ 2,947,910	\$ 64,291	\$ 16,164,764
Cash received from interfund services provided and used	5,298,581	-	1,312,866	-	-	6,611,447
Cash payments to suppliers for goods and services	(3,806,694)	(10,992,209)	(888,073)	(4,140,684)	(18,490)	(19,846,150)
Cash payments to employees for services	(883,783)	-	(1,599)	-	-	(885,382)
Net cash (used) by operating activities	647,552	2,091,333	452,767	(1,192,774)	45,801	2,044,679
Cash flows from noncapital financing activities:						
Transfers-out to other funds	(40,298)	-	-	-	-	(40,298)
Net cash provided (used) by noncapital financing activities	(40,298)	-	-	-	-	(40,298)
Cash flows from investing activities:						
Interest and dividends on investments	244,847	227,881	132,603	76,840	-	682,171
Net cash provided by investing activities	244,847	227,881	132,603	76,840	-	682,171
Net increase (decrease) in cash and cash equivalents	852,101	2,319,214	585,370	(1,115,934)	45,801	2,686,552
Cash, investments & cash equivalents at beg of year	4,607,236	2,716,433	2,111,234	1,734,921	-	11,169,824
Cash, investments & cash equivalents at end of year	\$ 5,459,337	\$ 5,035,647	\$ 2,696,604	\$ 618,987	\$ 45,801	\$ 13,856,376
Reconciliation of operating income (loss) to cash provided (used) by operating activities:						
Operating income (loss)	\$ 311,153	\$ 2,055,811	\$ 499,607	\$ (827,275)	\$ 42,936	\$ 2,082,232
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	2,860	-	-	-	-	2,860
Change in assets and liabilities:						
Increase (decrease) in accounts payable	60,798	39,680	-	-	-	100,478
Increase (decrease) in other payable	36,748	-	6,944	39,482	-	83,174
Increase (decrease) in compensated abs. payable	38,043	-	-	-	-	38,043
Increase (decrease) in accrued wages payable	8,475	-	784	-	2,865	12,124
Increase (decrease) in claims payable	189,475	(4,158)	(54,568)	(404,981)	-	(274,232)
(Increase) decrease in deferred charges	(18,306)	-	-	-	-	(18,306)
Increase (decrease) in notes payable	18,306	-	-	-	-	18,306
Total adjustments	336,399	35,522	(46,840)	(365,499)	2,865	(40,418)
Net cash (used) by operating activities	\$ 647,552	\$ 2,091,333	\$ 452,767	\$ (1,192,774)	\$ 45,801	\$ 2,044,679

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Premiums	\$ 5,136,898	\$ 5,136,898	\$ 5,301,281	\$ 164,383
Total operating revenues	5,136,898	5,136,898	5,301,281	164,383
Operating expenses:				
Salaries, wages and fringe benefits	758,564	947,686	930,301	17,385
Contractual services and utilities	244,500	359,123	198,684	160,439
Repairs and maintenance	2,790	2,790	748	2,042
Supplies	43,125	55,388	47,988	7,400
Depreciation expense	-	-	2,860	(2,860)
Insurance premiums	2,630,441	2,563,306	2,480,544	82,762
Claims and judgements	1,887,391	1,882,097	1,263,020	619,077
Other	11,450	93,984	65,983	28,001
Total operating expenses	5,578,261	5,904,374	4,990,128	914,246
Operating income (loss)	(441,363)	(767,476)	311,153	1,078,629
Non-operating revenues (expenses):				
Investment income	129,200	188,800	249,236	60,436
Gain (Loss) on sale of fixed assets	-	-	(499)	499
Total non-operating revenues (expenses)	129,200	188,800	248,737	60,935
Income (loss) before operating transfers	(312,163)	(578,676)	559,890	1,139,564
Other Financing Sources (uses):				
Transfers out	-	(40,298)	(40,298)	-
Total other financing sources (uses)	-	(40,298)	(40,298)	-
Change in net assets	(312,163)	(618,974)	519,592	1,138,566
Net assets, beginning of year	1,937,187	1,937,187	1,937,187	-
Net assets, end of year	\$ 1,625,024	\$ 1,318,213	\$ 2,456,779	\$ 1,138,566

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Premiums	\$ 13,630,049	\$ 13,630,049	\$ 13,083,542	\$ (546,507)
Total operating revenues	13,630,049	13,630,049	13,083,542	(546,507)
Operating expenses:				
Contractual services and utilities	396,175	401,176	349,305	51,871
Insurance premiums	345,102	345,102	355,281	(10,179)
Claims and judgements	12,562,233	12,562,233	9,998,415	2,563,818
Excess insurance	364,137	364,137	323,330	40,807
Other		1,500	1,400	100
Total operating expenses	13,667,647	13,674,148	11,027,731	2,646,417
Operating income (loss)	(37,598)	(44,099)	2,055,811	2,099,910
Non-operating revenues (expenses):				
Investment income	76,000	181,000	238,124	57,124
Total non-operating revenues (expenses)	76,000	181,000	238,124	57,124
Change in net assets	38,402	136,901	2,293,935	2,157,034
Net assets, beginning of year	1,308,608	1,308,608	1,308,608	-
Net assets, end of year	\$ 1,347,010	\$ 1,445,509	\$ 3,602,543	\$ 2,157,034

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Premiums	\$ 1,276,548	\$ 1,276,548	\$ 1,342,439	\$ 65,891
Total operating revenues	1,276,548	1,276,548	1,342,439	65,891
Operating expenses:				
Salaries, wages and fringe benefits	-	1,995	2,383	(388)
Contractual services and utilities	90,000	83,270	53,813	29,457
Workers comp administration fee	-	300	248	52
Claims and judgements	1,150,000	1,150,000	654,658	495,342
Excess insurance	125,000	131,730	131,730	-
Total operating expenses	1,365,000	1,367,295	842,832	524,463
Operating income (loss)	(88,452)	(90,747)	499,607	590,354
Non-operating revenues (expenses):				
Investment income	89,000	106,500	134,146	27,646
Total non-operating revenues (expenses)	89,000	106,500	134,146	27,646
Income (loss) before transfers	548	15,753	633,753	618,000
Change in net assets	548	15,753	633,753	618,000
Net assets, beginning of year	(231,172)	(231,172)	(231,172)	-
Net assets, end of year	\$ (230,624)	\$ (215,419)	\$ 402,581	\$ 618,000

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, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Premiums	\$ 2,698,644	\$ 2,698,644	\$ 2,947,910	\$ 249,266
Total operating revenues	2,698,644	2,698,644	2,947,910	249,266
Operating expenses:				
Contractual services and utilities	15,000	15,000	-	15,000
Insurance premiums	1,144,601	1,144,601	3,439,248	(2,294,647)
Claims and judgements	510,000	210,000	-	210,000
Excess insurance	-	-	-	-
Other	1,071,000	2,695,544	335,937	2,359,607
Total operating expenses	2,740,601	4,065,145	3,775,185	289,960
Operating income (loss)	(41,957)	(1,366,501)	(827,275)	539,226
Non-operating revenues (expenses):				
Investment income	42,000	59,500	67,233	7,733
Total non-operating revenues (expenses)	42,000	59,500	67,233	25,233
Change in net assets	43	(1,307,001)	(760,042)	546,959
Net assets, beginning of year	1,339,547	1,339,547	1,339,547	-
Net assets, end of year	\$ 1,339,590	\$ 32,546	\$ 579,505	\$ 546,959

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Union Sick Leave Bank
For the Year Ended June 30, 2007

	Budgeted Amounts			Variance With Final Budget- Positive (Negative)
	Original	Final	Actual	
Operating revenues:				
Donations	\$ -	\$ 60,000	\$ 64,291	\$ 4,291
Total operating revenues	-	60,000	64,291	4,291
Operating expenses:				
Other	-	19,000	21,355	(2,355)
Total operating expenses	-	19,000	21,355	(2,355)
Operating income (loss)	-	41,000	42,936	1,936
Change in net assets	-	41,000	42,936	1,936
Net assets, beginning of year	-	-	-	-
Net assets, end of year	\$ -	\$ 41,000	\$ 42,936	\$ 1,936

Capital Assets Used in the Operation of Governmental Fund

CITY OF SANTA FE, NEW MEXICO
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule By Source
June 30, 2007 and 2006

	2007	2006
	<hr/>	<hr/>
Governmental Funds Capital Assets:		
Land	\$ 162,499,280	\$ 162,499,280
Buildings	42,493,519	33,336,922
Improvements	19,285,272	18,877,006
Equipment and machinery	13,789,954	15,213,753
Furniture and fixtures	597,437	623,519
Vehicles	15,858,519	14,749,096
Data processing	6,590,633	5,945,435
Construction in progress	24,205,840	30,748,118
Art	922,920	922,920
Traffic Signals	21,752,077	20,727,445
Streets	174,583,118	165,550,764
Bridges	1,954,017	-
Total governmental funds capital assets	<hr/> \$ 484,532,586 <hr/>	<hr/> \$ 469,194,258 <hr/>
Investment in Governmental Funds Capital Assets by sources:		
General Fund	\$ 335,806,354	\$ 337,329,413
Special Revenue Funds	13,010,805	11,940,406
Capital Project Funds	125,105,671	109,314,683
Other Sources	9,885,633	9,885,633
Donations	724,123	724,123
Total governmental funds capital assets	<hr/> \$ 484,532,586 <hr/>	<hr/> \$ 469,194,258 <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, 2007

Function and Activity	Land	Buildings	Improvements	Equipment and Machinery	Furniture and Fixtures	Vehicles
General Government:						
City Manager	\$ 24,274,581	\$ 29,402,973	\$ 5,403,906	\$ -	\$ -	\$ -
City Clerk	-	-	-	284,658	22,241	56,850
Administrative Department	-	-	-	1,007,959	15,102	4,854,135
Planning	-	-	-	-	236,897	106,935
City Services	137,673,821	6,586,524	383,869	687,567	143,490	333,007
Total General Government	161,948,402	35,989,497	5,787,775	1,980,184	417,730	5,350,927
Public Safety:						
Police	-	3,220	3,053,074	69,914	171,903	5,164,124
Fire	-	6,388,013	-	1,938,496	-	704,584
Total Public Safety	-	6,391,233	3,053,074	2,008,410	171,903	5,868,708
Public Works:						
Administration	-	104,455	5,605,678	4,952,915	3,026	520,031
Total Public Works	-	104,455	5,605,678	4,952,915	3,026	520,031
Community Welfare:						
Human services	178,225	4,500	640,543	2,353,008	-	497,501
Total Community Welfare	178,225	4,500	640,543	2,353,008	-	497,501
Culture and Recreation:						
Parks and Grounds Maintenance	372,653	3,834	4,198,202	2,495,437	4,778	3,581,174
Arts Commission	-	-	-	-	-	40,178
Total Culture and Recreation	372,653	3,834	4,198,202	2,495,437	4,778	3,621,352
Total governmental funds capital assets	\$ 162,499,280	\$ 42,493,519	\$ 19,285,272	\$ 13,789,954	\$ 597,437	\$ 15,858,519

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.

Data Processing Equipment and Software	Construction in Progress	Art	Traffic Signals	Streets	Bridges	Total
\$ 17,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,098,987
3,352	-	-	-	-	-	367,101
5,033,536	12,720	-	-	-	-	10,923,452
203,999	-	-	-	-	-	547,831
375,426	53,452	-	-	-	-	146,237,156
5,633,840	66,172	-	-	-	-	217,174,527
450,798	922,354	-	-	-	-	9,835,387
390,937	458,534	-	-	-	-	9,880,564
841,735	1,380,888	-	-	-	-	19,715,951
40,067	17,679,142	-	21,494,562	174,583,118	1,954,017	226,937,011
40,067	17,679,142	-	21,494,562	174,583,118	1,954,017	226,937,011
17,662	13,031	-	-	-	-	3,704,470
17,662	13,031	-	-	-	-	3,704,470
2,669	1,907,632	-	257,515	-	-	12,823,894
54,660	3,158,975	922,920	-	-	-	4,176,733
57,329	5,066,607	922,920	257,515	-	-	17,000,627
\$ 6,590,633	\$ 24,205,840	\$ 922,920	\$ 21,752,077	\$ 174,583,118	\$ 1,954,017	\$ 484,532,586

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, 2007

Function and Activity	Governmental Funds Capital Assets July 1, 2006	Additions	Deletions	Governmental Funds Capital Assets June 30, 2007
General Government:				
City Manager	\$ 59,098,987	\$ -	\$ -	\$ 59,098,987
City Clerk	342,264	48,529	(23,692)	367,101
Administrative Department	11,024,656	539,753	(640,957)	10,923,452
Planning	465,849	106,935	(24,953)	547,831
City Services	139,331,610	7,111,112	(205,566)	146,237,156
Total General Government	<u>210,263,366</u>	<u>7,806,329</u>	<u>(895,168)</u>	<u>217,174,527</u>
Public Safety:				
Police	10,056,998	1,613,032	(1,834,643)	9,835,387
Fire	6,263,304	3,658,779	(41,519)	9,880,564
Total Public Safety	<u>16,320,302</u>	<u>5,271,811</u>	<u>(1,876,162)</u>	<u>19,715,951</u>
Public Works:				
Administration	227,319,985	20,962,129	(21,345,103)	226,937,011
Total Public Works	<u>227,319,985</u>	<u>20,962,129</u>	<u>(21,345,103)</u>	<u>226,937,011</u>
Community Welfare:				
Human Services	3,649,503	60,871	(5,904)	3,704,470
Total Community Welfare	<u>3,649,503</u>	<u>60,871</u>	<u>(5,904)</u>	<u>3,704,470</u>
Culture and Recreation:				
Parks and Grounds Maint.	10,670,522	2,284,738	(131,366)	12,823,894
Culture	970,580	3,206,153	-	4,176,733
Total Culture and Recreation	<u>11,641,102</u>	<u>5,490,891</u>	<u>(131,366)</u>	<u>17,000,627</u>
Total governmental funds capital assets	<u>\$ 469,194,258</u>	<u>\$ 39,592,031</u>	<u>\$ (24,253,703)</u>	<u>\$ 484,532,586</u>

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

Discrete Component Units

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.

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

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

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

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

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

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

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

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Combining Statement of Net Assets
For the Year Ended June 30, 2007

	Housing Authority	Capital Projects Fund	SF Civic Housing Development Corporation	La Cieneguita	Section 8 Voucher	Mainstream Voucher	Cielo Azul	Total
ASSETS								
Current assets								
Cash and equivalents	\$ 831,387	\$ -	\$ 1,654,674	\$ 176,964	\$ 704,848	\$ 33,293	\$ 171,032	\$ 3,572,198
Tenant receivable	33,951	-	1,570	499	-	-	2,946	38,966
Federal grants receivable	141,910	-	-	-	-	114,865	-	256,775
Other receivable	-	-	-	11,188	12,452	-	6,600	30,240
Due from other funds	153,379	-	-	-	224,961	-	-	378,340
Prepaid expenses	69,043	-	13,210	3,628	-	-	-	85,881
Other current assets	13,456	-	-	-	-	-	-	13,456
Total current assets	1,243,126	-	1,669,454	192,279	942,261	148,158	180,578	4,375,856
Capital assets								
Land	22,200	-	268,652	244,300	-	-	300,000	835,152
Construction in process	559,102	-	-	-	-	-	-	559,102
Buildings & Improvements	21,075,086	-	3,018,912	1,473,757	-	-	1,300,000	26,867,755
Furniture and fixtures	43,181	-	200,578	-	-	-	-	243,759
Equipment and machinery	187,987	-	2,907	4,415	-	-	-	195,309
Vehicles	199,514	-	-	-	-	-	-	199,514
Accumulated depreciation	(14,835,438)	-	(2,081,492)	(135,850)	-	-	(129,999)	(17,182,779)
Total capital assets (net of depreciation)	7,251,632	-	1,409,557	1,586,622	-	-	1,470,001	11,717,812
Other assets								
Due from other funds	-	-	500,000	-	-	-	-	500,000
Total assets	8,494,758	-	3,579,011	1,778,901	942,261	148,158	1,650,579	16,593,668
LIABILITIES								
Current liabilities								
Accounts payable	168,216	-	-	-	-	-	-	168,216
Compensated absences payable	121,694	-	-	-	-	-	-	121,694
Tenant security deposits	55,175	-	13,757	6,042	-	-	-	74,974
Current portion of long term debt	-	-	130,000	-	-	-	9,970	139,970
Escrows and deposits	51,478	-	-	-	-	-	-	51,478
Due to other funds	-	-	170,508	46,198	-	135,423	4,000	356,129
Deferred revenue	-	-	-	-	22,211	-	-	22,211
Accrued interest	-	-	55,625	-	-	-	-	55,625
Total current liabilities	396,563	-	369,890	52,240	22,211	135,423	13,970	990,297
Noncurrent liabilities								
Notes payable	-	-	-	-	-	-	1,192,346	1,192,346
Bonds payable	-	-	2,090,000	-	-	-	-	2,090,000
Due to other funds	-	-	-	-	-	-	500,000	500,000
Total noncurrent liabilities	-	-	2,090,000	-	-	-	1,692,346	3,782,346
Total liabilities	396,563	-	2,459,890	52,240	22,211	135,423	1,706,316	4,772,643
NET ASSETS								
Invested in capital assets, net of related debt	7,251,632	-	(810,443)	1,586,622	-	-	267,685	8,295,496
Unrestricted (deficit)	846,563	-	1,929,564	140,039	920,050	12,735	(323,422)	3,525,529
Total net assets	\$ 8,098,195	\$ -	\$ 1,119,121	\$ 1,726,661	\$ 920,050	\$ 12,735	\$ (55,737)	\$ 11,821,025

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, 2007

	Housing Authority	Capital Projects Fund	SF Civic Housing Development Corporation	La Cieneguita	Section 8 Voucher	Mainstream Voucher	Cielo Azul	Total
Operating Revenues								
Facilities rentals	\$ 1,093,122	\$ -	\$ 665,239	\$ 131,292	\$ -	\$ -	\$ 138,204	\$ 2,027,857
HUD grant and subsidy	905,058	753,043	-	-	3,951,049	114,865	-	5,724,015
Other revenue	326,389	-	11,106	-	-	4,169	-	341,664
Total operating revenues	2,324,569	753,043	676,345	131,292	3,951,049	119,034	138,204	8,093,536
Operating Expenses								
Salaries, wages and benefits	746,377	-	185,784	54,852	331,706	7,462	3,000	1,329,181
Community welfare	157,111	-	-	-	3,745,229	95,669	-	3,998,009
Contractual services and utilities	545,990	-	69,934	24,261	-	-	9,544	649,729
Repairs and maintenance	593,986	111,241	97,397	12,400	-	-	2,831	817,855
Depreciation expense	994,251	-	98,442	65,423	-	-	43,333	1,201,449
Insurance	124,931	-	23,865	7,045	218	-	6,233	162,292
Other	94,666	-	21,368	6,394	-	3,168	-	125,596
Total operating expenses	3,257,312	111,241	496,790	170,375	4,077,153	106,299	64,941	8,284,111
Operating income	(932,743)	641,802	179,555	(39,083)	(126,104)	12,735	73,263	(190,575)
Non-operating revenues (expenses)								
Interest on investments	23,435	-	80,853	1,752	21,106	-	1,974	129,120
Interest expense	-	-	(135,750)	-	-	-	(40,725)	(176,475)
Total non-operating revenues (expenses)	23,435	-	(54,897)	1,752	21,106	-	(38,751)	(47,355)
Change in net assets before transfers	(909,308)	641,802	124,658	(37,331)	(104,998)	12,735	34,512	(237,930)
Operating transfers in	641,802	-						641,802
Operating transfers out	-	(641,802)						(641,802)
Net transfers in(out)	641,802	(641,802)	-	-	-	-	-	-
Change in net assets	(267,506)	-	124,658	(37,331)	(104,998)	12,735	34,512	(237,930)
Net assets, beginning of year (as restated)	8,365,701	-	994,463	1,763,992	1,025,048	-	(90,249)	12,058,955
Net assets, end of year	\$ 8,098,195	\$ -	\$ 1,119,121	\$ 1,726,661	\$ 920,050	\$ 12,735	\$ (55,737)	\$ 11,821,025

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Combining Statement of Cash Flows
For the Year Ended June 30, 2007

	Housing Authority	Capital Projects Fund	SF Civic Housing Development Corporation	La Cieneguita	Section 8 Voucher	Mainstream Voucher	Cielo Azul	Total
Cash Flows from Operating Activities								
Cash received from customers and grantors	\$ 2,145,900	\$ 753,043	\$ 738,076	\$ 119,827	\$ 3,938,597	\$ 14,631	\$ 142,204	\$ 7,852,278
Cash payments to suppliers for goods and services	(1,309,853)	(111,241)	(224,477)	(7,595)	(3,985,237)	(98,837)	(18,608)	(5,755,848)
Cash payments to employees for services	(705,772)	-	(188,784)	(54,852)	(331,706)	(7,462)	(3,000)	(1,291,576)
Net cash provided (used) by operating activities	130,275	641,802	324,815	57,380	(378,346)	(91,668)	120,596	804,854
Cash Flows from Capital Financing Activities								
Acquisition and construction of capital assets	(739,162)	-	(178,018)	-	-	-	-	(917,180)
Net cash used by capital financing activities	(739,162)	-	(178,018)	-	-	-	-	(917,180)
Cash Flows from Noncapital Financing Activities								
Cash transfers (to) from other funds	641,802	(641,802)	-	-	(124,961)	124,961	-	-
Principal paid on debt maturities	-	-	(125,000)	-	-	-	(9,429)	(134,429)
Interest paid on debt	-	-	(135,750)	-	-	-	(40,725)	(176,475)
Net cash used by noncapital financing activities	641,802	(641,802)	(260,750)	-	(124,961)	124,961	(50,154)	(310,904)
Cash Flows from Investing Activities								
Interest and dividends on investments	23,435	-	80,853	1,752	21,106	-	1,974	129,120
Net cash provided by Investing activities	23,435	-	80,853	1,752	21,106	-	1,974	129,120
Net increase (decrease) in cash and cash equivalents	56,350	-	(33,100)	59,132	(482,201)	33,293	72,416	(294,110)
Cash and cash equivalents at beginning of year	775,037	-	1,687,774	117,832	1,187,049	-	98,616	3,866,308
Cash and cash equivalents at end of year	\$ 831,387	\$ -	\$ 1,654,674	\$ 176,964	\$ 704,848	\$ 33,293	\$ 171,032	\$ 3,572,198
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ (932,743)	\$ 641,802	\$ 179,555	\$ (39,083)	\$ (126,104)	\$ 12,735	\$ 73,263	\$ (190,575)
Adjustments to reconcile operating income to net cash provided by operating activities								
Depreciation/amortization	994,251	-	98,442	65,423	-	-	43,333	1,201,449
Change in assets and liabilities								
Accounts receivable	(78,626)	-	268	(11,214)	(12,452)	(114,865)	-	(216,889)
Prepaid expenses	(3,216)	-	(2,555)	(211)	-	-	-	(5,982)
Due from other funds	120,813	-	-	-	(100,000)	-	-	20,813
Accounts payable	89,234	-	(9,358)	-	(3,575)	-	-	76,301
Accrued interest	-	-	(3,000)	-	-	-	-	(3,000)
Compensated absences payable	40,605	-	-	-	-	-	-	40,605
Deposits	(100,043)	-	3,239	(251)	-	-	-	(97,055)
Due to other funds	-	-	58,224	42,716	(136,215)	10,462	4,000	(20,813)
Total adjustments	1,063,018	-	145,260	96,463	(252,242)	(104,403)	47,333	995,429
Net cash provided (used) by operating activities	\$ 130,275	\$ 641,802	\$ 324,815	\$ 57,380	\$ (378,346)	\$ (91,668)	\$ 120,596	\$ 804,854

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, 2007

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 1,007,000	\$ 1,007,000	\$ 1,093,122	\$ 86,122
HUD grants and subsidy	953,000	953,000	806,545	(146,455)
Other operating revenues	105,000	105,000	356,389	251,389
Total operating revenues	2,065,000	2,065,000	2,256,056	191,056
Operating Expenses				
Salaries, wages and benefits	753,100	753,100	746,377	6,723
Community Welfare	207,000	207,000	157,111	49,889
Contractual services and utilities	593,700	593,700	545,990	47,710
Repairs and maintenance	592,000	592,000	593,986	(1,986)
Depreciation	960,000	960,000	994,251	(34,251)
Insurance	126,000	126,000	124,931	1,069
Other	82,200	82,200	94,666	(12,466)
Total operating expenses	3,314,000	3,314,000	3,257,312	56,688
Operating income (loss)	(1,249,000)	(1,249,000)	(1,001,256)	247,744
Non-operating Revenue				
Interest on investments	23,000	23,000	23,435	435
Transfers In	-	-	641,802	641,802
Total non-operating revenues	23,000	23,000	665,237	642,237
Change in net assets	(1,226,000)	(1,226,000)	(336,019)	889,981
Net assets, beginning of year	8,365,701	8,365,701	8,365,701	-
Net assets, end of year	\$ 7,139,701	\$ 7,139,701	\$ 8,029,682	\$ 889,981
Ross grant			68,513	
GAAP net assets, end of year			<u>\$ 8,098,195</u>	

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2007

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-
Operating Expenses				
Administration	186,629	186,629	111,241	75,388
Total operating expenses	186,629	186,629	111,241	75,388
Operating income (loss)	(186,629)	(186,629)	(111,241)	75,388
Non-operating Revenue/(Expenses)				
Capital grant	853,334	853,334	753,043	(100,291)
Investment in capital assets	(666,705)	(666,705)	-	666,705
Transfers out	-	-	(641,802)	(641,802)
Total non-operating revenues	186,629	186,629	111,241	(75,388)
Change in net assets	-	-	-	-
Net assets, beginning of year			-	-
Net assets, end of year	\$ -	\$ -	\$ -	\$ -

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, 2007

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 667,000	\$ 667,000	\$ 665,239	\$ (1,761)
Other operating revenues	13,800	13,800	11,106	(2,694)
Total operating revenues	680,800	680,800	676,345	(4,455)
Operating Expenses				
Salaries, wages and benefits	185,000	185,000	185,784	(784)
Contractual services and utilities	85,600	85,600	69,934	15,666
Repairs and maintenance	159,000	159,000	97,397	61,603
Depreciation	107,000	107,000	98,442	8,558
Insurance	26,000	26,000	23,865	2,135
Other	23,500	23,500	21,368	2,132
Total operating expenses	586,100	586,100	496,790	89,310
Change in net assets	94,700	94,700	179,555	84,855
Net assets, beginning of year	994,463	994,463	994,463	-
Net assets, end of year	\$ 1,089,163	\$ 1,089,163	\$ 1,174,018	\$ 84,855
Investment income			80,853	
Interest expense			(135,750)	
GAAP net assets, end of year			<u>\$ 1,119,121</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, 2007

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 120,100	\$ 120,100	\$ 131,292	\$ 11,192
Other operating revenues	2,000	2,000	1,752	(248)
Total operating revenues	122,100	122,100	133,044	10,944
Operating Expenses				
Salaries, wages, and benefits	66,000	66,000	54,852	11,148
Contractual services and utilities	27,900	27,900	24,261	3,639
Repairs and maintenance	14,000	14,000	12,400	1,600
Depreciation	7,000	7,000	7,045	(45)
Insurance	66,000	66,000	65,423	577
Other	7,200	7,200	6,394	806
Total operating expenses	188,100	188,100	170,375	17,725
Operating Income (loss)	(66,000)	(66,000)	(37,331)	28,669
Net assets, beginning of year	1,763,992	1,763,992	1,763,992	-
Net assets, end of year	\$ 1,697,992	\$ 1,697,992	\$ 1,726,661	\$ 28,669

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, 2007

	Budget Amount		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 4,009,835	\$ 4,009,835	\$ 3,951,049	\$ (58,786)
Interest income	25,000	25,000	21,106	(3,894)
Total operating revenue	4,034,835	4,034,835	3,972,155	(62,680)
Operating Expenses				
Salaries, wages, and benefits	345,000	345,000	331,706	13,294
Community welfare	3,713,335	3,713,335	3,745,229	(31,894)
Insurance	1,000	1,000	218	782
Total operating expenses	4,059,335	4,059,335	4,077,153	(17,818)
Operating Income (loss)	(24,500)	(24,500)	(104,998)	(80,498)
Net assets, beginning of year	395,077	395,077	395,077	-
Net assets, end of year	\$ 370,577	\$ 370,577	\$ 290,079	\$ (80,498)
Restatement			629,971	
GAAP net assets, end of year			<u>\$ 920,050</u>	

CITY OF SANTA FE, NEW MEXICO
Component Unit - Enterprise
Schedule of Revenues, Expenses and
Changes in Net Assets Budget and Actual
Mainstream Voucher
For the Year Ended June 30, 2007

	Budget Amount		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Intergovernmental	\$ 111,000	\$ 111,000	\$ 119,034	\$ 8,034
Total operating revenue	111,000	111,000	119,034	8,034
Operating Expenses				
Salaries, wages, and benefits	9,000	9,000	7,462	1,538
Community welfare	100,000	100,000	95,669	4,331
Insurance	-	-	3,168	(3,168)
Total operating expenses	109,000	109,000	106,299	2,701
Operating Income (loss)	2,000	2,000	12,735	10,735
Net assets, beginning of year	-	-	-	-
Net assets, end of year	\$ 2,000	\$ 2,000	\$ 12,735	\$ 10,735

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, 2007

	Budget Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Operating Revenues				
Facilities rentals	\$ 126,000	\$ 126,000	\$ 138,204	\$ 12,204
Total operating revenues	126,000	126,000	138,204	12,204
Operating Expenses				
Salaries, wages and benefits	10,000	10,000	3,000	7,000
Contractual services and utilities	11,600	11,600	9,544	2,056
Repairs and maintenance	13,000	13,000	2,831	10,169
Depreciation	44,000	44,000	43,333	667
Insurance	7,000	7,000	6,233	767
Total operating expenses	85,600	85,600	64,941	20,659
Operating income (loss)	40,400	40,400	73,263	32,863
Net-operating Revenue				
Interest on investments	2,000	2,000	1,974	(26)
Interest expense	(50,000)	(50,000)	(40,725)	9,275
Total non- operating revenues	(48,000)	(48,000)	(38,751)	9,249
Change in net assets	(7,600)	(7,600)	34,512	42,112
Net assets(deficit), beginning of year	(90,249)	(90,249)	(90,249)	-
Net assets(deficit), end of year	\$ (97,849)	\$ (97,849)	\$ (55,737)	\$ 42,112

Statistical Section

**CITY OF SANTA FE, NEW MEXICO
STATISTICAL SECTION
For the Fiscal Year Ended June 30, 2007**

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

<u>Contents</u>	<u>Pages</u>
Financial Trends These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	174-179
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the city's ability to generate its gross receipts tax.	180-186
Debt Capacity These schedules present information to help the reader the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	187-192
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	193-198
Operating information These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the the city provides and the activities it performs.	199-201

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

TABLE I

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Governmental Activities						
Invested in capital assets, net of related debt	\$ (30,832,057)	\$ 1,349,357	\$ 157,113,667	\$ 143,746,053	\$ 166,025,629	\$ 142,109,428
Restricted	4,970,892	6,103,794	4,128,579	3,285,631	3,168,740	2,504,394
Unrestricted	83,264,368	86,932,817	99,594,397	98,610,581	90,576,169	63,338,892
Total governmental activities net assets	\$ 57,403,203	\$ 94,385,968	\$ 260,836,643	\$ 245,642,265	\$ 259,770,538	\$ 207,952,714
Business-type activities						
Invested in capital assets, net of related debt	\$ 54,323,125	\$ 66,834,205	\$ 75,547,411	\$ 100,137,996	\$ 100,419,310	\$ 152,636,141
Restricted	8,018,524	10,763,947	9,189,925	9,232,551	1,165,686	2,668,245
Unrestricted	20,664,954	20,751,616	37,983,865	48,735,531	86,526,932	127,184,590
Total business -type activities	\$ 83,006,603	\$ 98,349,768	\$ 122,721,201	\$ 158,106,078	\$ 188,111,928	\$ 282,488,976
Primary government						
Invested in capital assets, net of related debt	\$ 23,491,068	\$ 68,183,562	\$ 232,661,078	\$ 243,884,049	\$ 266,444,939	\$ 294,745,569
Restricted	12,989,416	16,867,741	13,318,504	12,518,182	4,334,426	5,172,639
Unrestricted	103,929,322	107,684,433	137,578,262	147,346,112	177,103,101	190,523,482
Total primary government net assets	\$ 140,409,806	\$ 192,735,736	\$ 383,557,844	\$ 403,748,343	\$ 447,882,466	\$ 490,441,690

Note: GASB 34 Implemented 2002

TABLE II

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental Activities:						
General Government	\$ 21,195,929	\$ 21,451,013	\$ 22,393,020	\$ 31,765,902	\$ 21,318,849	\$ 23,484,442
Public Safety	24,083,675	26,538,341	28,500,025	31,103,547	31,355,147	33,841,007
Public Works	8,479,296	13,024,063	14,621,049	11,639,112	12,020,924	13,570,355
Community development	9,520,528	9,761,578	10,180,137	10,946,430	10,722,375	11,289,698
Culture and recreation	8,857,134	9,017,844	9,708,241	10,900,710	11,770,657	13,029,432
Education	2,231,343	2,280,164	2,456,459	2,528,186	2,573,152	2,737,868
Interest on Long term debt	5,166,341	5,375,063	5,093,359	5,630,475	5,404,184	9,583,608
Total Governmental activities expenses	79,534,246	87,448,066	92,952,290	104,514,362	95,165,288	107,536,410
Business-type activities:						
Wastewater Management	6,749,379	10,141,412	9,352,601	9,523,908	9,648,572	9,879,594
Water Management	19,371,310	19,240,504	20,258,711	20,647,005	20,115,817	23,608,849
Municipal Recreation Complex	3,050,869	3,205,273	3,302,425	3,263,270	3,634,257	3,021,228
Railyard Cener	-	-	-	173,224	205,168	608,703
Genoveva Chavez Community Center	3,486,675	3,541,519	3,910,851	3,988,449	4,118,677	4,895,292
Sweeny Convention Center	-	734,108	769,541	854,946	1,060,315	218,000
Solid Waste Management	-	7,921,077	8,296,083	8,373,182	8,745,255	8,888,090
Transit and Airport Systems	-	6,093,452	6,702,672	6,911,775	7,394,114	8,309,125
Parking Enterprise Fund	-	3,188,057	3,456,637	3,977,672	4,006,651	4,194,759
All other proprietary funds	19,117,587	-	-	-	-	-
Total business-type expenses	51,775,820	54,065,402	56,049,521	57,713,431	58,928,826	63,623,640
Total primary government expenses	\$ 131,310,066	\$ 141,513,468	\$ 149,001,811	\$ 162,227,793	\$ 154,094,114	\$ 171,160,050
Program Revenues						
Governmental activities:						
Charges for services:						
General Government	\$ 4,341,543	\$ 4,736,202	\$ 5,390,550	\$ 5,928,430	\$ 6,484,371	\$ 2,729,053
Public Safety	467,493	494,337	534,425	671,958	437,873	3,746,109
Public Works	1,540,498	153,334	1,158,799	3,052,065	3,101,740	3,420,434
Community development	128,978	127,639	146,216	144,195	130,376	321,145
Culture and recreation	73,174	62,230	18,900	106,684	114,848	518,602
Operating grants and contributions:						-
General Government	376,460	243,831	119,129	26,578	224,321	400,848
Public Safety	877,486	911,513	1,140,086	1,201,267	899,851	577,716
Public Works	902,130	359,329	404,971	536,523	740,683	449,214
Community development	2,132,899	3,316,551	3,324,270	3,474,113	2,806,880	3,260,771
Culture and recreation	312,028	133,474	342,327	801,047	439,671	297,649
Education	44,724	-	-	226,070	-	-
Capital grants and contributions:						
General Government	-	160,287	122,541	10,168,219	184,045	401,529
Public Safety	32,275	-	-	-	283,119	418,952
Public Works	1,185,871	5,310,660	1,985,617	1,326,180	1,086,433	946,360
Community development	353,335	334,517	18,911	120,244	1,436,378	171,251
Culture and recreation	27,130	347,788	718,156	324,260	1,901,844	1,215,780
Total governmental activities program revenues	12,796,024	16,691,692	15,424,898	28,107,833	20,272,433	18,875,413

(Continued)

TABLE II

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Business-type activities:						
Charges for services:						
Wastewater Management	\$ 6,953,092	\$ 6,976,843	\$ 8,088,178	\$ 8,388,757	\$ 8,596,112	\$ 8,718,755
Water Management	26,886,400	27,100,848	29,506,311	26,305,704	36,401,216	29,158,277
Municipal Recreation Complex	1,451,570	1,231,628	1,195,813	1,073,646	1,164,630	1,035,847
Railyard Cener	-	-	-	737,700	-	273,221
Genoveva Chavez Community Center	1,433,828	1,453,790	1,212,399	1,559,775	1,372,712	1,804,043
Sweeny Convention Center	-	137,051	-	179,925	3,750	-
Solid Waste Management	-	7,477,676	8,682,479	8,877,203	8,906,200	9,249,160
Transit and Airport Systems	-	710,410	643,268	829,695	673,316	890,065
Parking Enterprise Fund	-	3,091,690	3,626,228	3,559,993	3,661,069	3,726,114
All other proprietary funds	13,119,957	-	-	-	-	-
Operating grants and contributions:						
Municipal Recreation Complex	4,545	2,700	-	-	-	-
Transit and Airport Systems	-	435,724	215,000	805,979	905,751	935,944
All other proprietary funds	523,786	-	-	-	-	-
Capital grants and contributions:						
Wastewater Management	-	-	-	-	18,124	82,458
Water Management	695,657	1,586,829	10,458,328	1,339,601	6,759,310	3,203,186
Municipal Recreation Complex	-	-	-	-	8,622	1,315
Railyard Cener	-	-	-	412,659	166,007	2,495,258
Genoveva Chavez Community Center	-	-	-	24,428	32,952	36,834
Transit and Airport Systems	-	2,274,673	1,816,745	943,507	1,416,163	5,230,489
All other proprietary funds	216,416	-	-	-	-	-
Total business-type activities program revenues	51,285,251	52,479,862	65,444,749	55,038,572	70,085,934	66,840,966
Total primary government program revenues	\$ 64,081,275	\$ 69,171,554	\$ 80,869,647	\$ 83,146,405	\$ 90,358,367	\$ 85,716,379
Net (Expenses)/Revenue						
Governmental activities						
General Government	\$ (16,477,926)	\$ (16,310,693)	\$ (16,760,800)	\$ (15,642,675)	\$ (14,426,112)	\$ (19,953,012)
Public Safety	(22,706,421)	(25,132,491)	(26,825,514)	(29,230,322)	(29,734,304)	(29,098,230)
Public Works	(4,850,797)	(7,200,740)	(11,071,662)	(6,724,344)	(7,092,068)	(8,754,347)
Community development	(6,905,316)	(5,982,871)	(6,690,740)	(7,207,878)	(6,348,741)	(7,536,531)
Culture and recreation	(8,444,802)	(8,474,352)	(8,458,758)	(9,668,719)	(9,314,294)	(10,997,401)
Education	(2,186,619)	(2,280,164)	(2,456,459)	(2,302,116)	(2,573,152)	(2,737,868)
Interest on Long term debt	(5,166,341)	(5,375,063)	(5,093,359)	(5,630,475)	(5,404,184)	(9,583,608)
Business-type activities						
Wastewater Management	203,713	(3,164,569)	(1,264,423)	(1,135,151)	(1,034,336)	(1,078,381)
Water Management	8,210,747	9,447,173	19,705,928	6,998,300	23,044,709	8,752,614
Municipal Recreation Complex	(1,594,754)	(1,970,945)	(2,106,612)	(2,189,624)	(2,461,005)	(1,984,066)
Railyard Cener	-	-	-	977,135	(39,161)	2,159,776
Genoveva Chavez Community Center	(2,052,847)	(2,087,729)	(2,698,452)	(2,404,246)	(2,713,013)	(3,054,415)
Sweeny Convention Center	-	(597,057)	(769,541)	(675,021)	(1,056,565)	(218,000)
Solid Waste Management	-	(443,401)	386,396	504,021	160,945	361,070
Transit and Airport Systems	-	(2,672,645)	(4,027,659)	(4,332,594)	(4,398,884)	(1,252,627)
Parking Enterprise Fund	-	(96,367)	169,591	(417,679)	(345,582)	(468,645)
All other proprietary funds	(5,257,428)	-	-	-	-	-
Total primary government expense	\$ (67,228,791)	\$ (72,341,914)	\$ (67,962,064)	\$ (79,081,388)	\$ (63,735,747)	\$ (85,443,671)

(Continued)

TABLE II

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets						
Governmental activities						
Taxes						
Property taxes	\$ 1,388,393	\$ 1,462,020	\$ 1,545,895	\$ 1,646,328	\$ 1,759,219	\$ 3,584,591
Sales taxes	75,360,232	79,760,433	82,323,111	85,755,995	92,621,304	96,824,000
Franchise taxes	2,075,035	2,086,183	2,269,999	2,308,962	2,418,323	2,391,935
Motor fuel taxes	1,332,483	299,457	1,307,593	1,432,826	1,592,130	1,130,553
Cigarette taxes	148,163	153,932	141,980	145,074	126,683	107,712
Unrestricted investment earnings	4,618,919	3,592,394	840,040	2,049,567	3,570,611	7,187,724
Miscellaneous revenues	1,444,175	1,209,258	1,463,231	1,984,446	991,112	1,947,896
Gain on sale of capital assets	553,731	3,976	1,039,062	-	117,180	-
Tranfers	(5,822,656)	(8,496,185)	(12,103,500)	(13,262,714)	(14,175,434)	(76,331,238)
Special Item-transfer of capital asset	-	-	-	(20,145,837)	-	-
Total governmental activities	81,098,475	80,071,468	78,827,411	61,914,647	89,021,128	36,843,173
Business-type activities						
Property taxes	-	-	-	-	-	7,123,902
Unrestricted investment earnings	1,932,195	1,499,788	1,347,344	1,822,075	2,608,907	6,301,086
Miscellaneous revenues	3,556,171	-	1,567,250	2,793,229	1,650,873	379,523
Gain on sale of capital assets	-	(41,845)	(41,889)	35,881	413,528	1,023,973
Tranfers	5,822,656	8,496,185	12,103,500	13,262,714	14,175,434	76,331,238
Special Item-transfer of capital asset	-	-	-	20,145,837	-	-
Total business-type activities	11,311,022	9,954,128	14,976,205	38,059,736	18,848,742	91,159,722
Total primary government	\$ 92,409,497	\$ 90,025,596	\$ 93,803,616	\$ 99,974,383	\$ 107,869,870	\$ 128,002,895
Change in Net Assets						
Governmental activities	\$ 14,360,253	\$ 9,315,094	\$ 1,470,119	\$ (14,491,882)	\$ 14,128,273	\$ (51,817,824)
Business-type activities	10,820,453	8,368,588	24,371,433	35,384,877	30,005,850	94,377,048
Total primary government	\$ 25,180,706	\$ 17,683,682	\$ 25,841,552	\$ 20,892,995	\$ 44,134,123	\$ 42,559,224

Note: GASB 34 Implemented 2002

TABLE III

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
General fund						
Reserved	\$ 639,743	\$ 835,208	\$ 1,675,855	\$ 1,517,007	1,187,102	1,469,090
Unreserved	14453097	16,621,949	19,280,645	19,527,994	25,105,946	26,378,133
Total general fund	<u>\$ 15,092,840</u>	<u>\$ 17,457,157</u>	<u>\$ 20,956,500</u>	<u>\$ 21,045,001</u>	<u>\$ 26,293,048</u>	<u>\$ 27,847,223</u>
All Other Governmental Funds						
Reserved	\$ 5,453,066	\$ 7,112,747	\$ 5,108,988	\$ 4,627,065	71,980,338	21,225,790
Unreserved, reported in:						
Special revenue funds	21,325,023	20,555,714	21,068,096	24,748,085	27,354,805	19,576,314
Capital projects funds	48,561,040	42,877,220	55,001,474	50,737,536	51,579,609	46,262,108
Total all other governmental funds	<u>\$ 75,339,129</u>	<u>\$ 70,545,681</u>	<u>\$ 81,178,558</u>	<u>\$ 80,112,686</u>	<u>\$ 150,914,752</u>	<u>\$ 87,064,212</u>

Note: GASB 34 Implemented 2002

TABLE IV

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Revenues						
Taxes	\$ 80,304,306	\$ 83,762,025	\$ 87,588,578	\$ 91,289,185	\$ 98,517,659	\$ 104,038,791
Licenses and permits	1,465,954	1,442,754	2,667,343	2,727,092	2,946,359	2,863,976
Intergovernmental revenues	6,244,338	11,117,950	8,176,008	18,204,501	10,003,225	8,140,070
Fees and charges for services	4,025,034	3,410,981	4,751,647	7,176,240	7,322,849	7,871,367
Sale of capital assets	30,663	3,976	18,888	79,164	197,052	28,793
Fines and forfeitures	376,051	421,146	319,827	375,497	290,372	304,993
Rents, royalties and concessions	647,162	298,861	586,737	99,520	79,202	165,995
Investment income	3,685,469	2,984,761	703,634	1,794,068	3,260,419	6,498,985
Land Sales	523,068	215,598	520,174	428,823	80,392	267,786
Other revenues	1,480,265	993,660	556,667	767,606	541,146	1,209,122
Total Revenues	98,782,310	104,651,712	105,889,503	122,941,696	123,238,675	131,389,878
Expenditures						
General government	16,655,252	17,408,043	18,286,525	29,315,163	19,036,303	22,514,387
Public safety	23,121,768	25,881,312	27,719,898	30,499,746	30,740,879	32,864,855
Public works	6,117,328	6,672,395	6,053,746	6,333,134	6,478,166	7,702,612
Community development	9,307,102	9,633,956	10,000,586	10,846,818	10,606,676	11,160,216
Culture and recreation	7,898,557	8,021,152	8,852,562	10,058,953	10,207,370	10,813,076
Education	2,210,671	2,274,474	2,450,329	2,522,707	2,568,199	2,732,739
Capital outlay	13,277,460	13,359,356	13,532,467	10,329,737	17,210,254	18,273,680
Capital outlay/Inventory exempt	2,775,370	2,776,689	1,698,664	1,316,442	582,837	3,845,167
Debt Service:						
Principal	7,812,252	8,122,744	7,724,078	7,813,894	8,072,719	22,635,861
Interest and fiscal agent fees	5,642,227	5,445,493	5,681,334	5,505,673	6,050,067	10,603,454
Total expenditures	94,817,987	99,595,614	102,000,189	114,542,267	111,553,470	143,146,047
Excess of revenues over (under)	3,964,323	5,056,098	3,889,314	8,399,429	11,685,205	(11,756,169)
Other Financing Sources (Uses)						
Transfers in	57,118,507	28,240,815	46,999,843	26,708,209	38,270,293	40,684,259
Transfers out	(63,290,445)	(35,874,406)	(56,589,827)	(39,687,743)	(52,070,727)	(116,975,199)
HUD loan payments (flow through)	-	-	-	-	-	25,656
Other uses	-	-	-	-	(300,000)	-
Other sources	18,944,263	-	19,880,589	1,716,667	14,986,587	-
Issuance of Bonds:						
Face value of bonds issued	-	-	-	8,470,000	59,930,000	24,940,000
Premium on issuance of bond	-	-	-	133,355	3,548,755	785,088
Payments to refund bond	-	-	-	(8,399,880)	-	-
Total other Financing sources (uses)	12,772,325	(7,633,591)	10,290,605	(11,059,392)	64,364,908	(50,540,196)
Net change in fund balances	16,736,648	(2,577,493)	14,179,919	(2,659,963)	76,050,113	(62,296,365)
Debt service as a percentage of noncapital expenditures	16.5%	15.7%	15.2%	12.8%	15.0%	26.6%

Note: GASB 34 Implemented 2002

TABLE V

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

Fiscal Year Ended June 30	Real Property Assessed Value	Estimated Actual Value	Personal Property Assessed Value	Estimated Actual Value	Exemptions Real Property	Total Assessed Value	Total Estimated Actual Value	Ratio of Total Assessed to Total Estimated
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	70,907	212,934	33,767	2,375,557	7,133,805	33.3%
2005	2,587,264	7,769,562	71,734	215,417	36,567	2,622,431	7,875,168	33.3%
2006	2,849,552	8,557,213	78,279	235,072	38,889	2,888,942	8,675,502	33.3%
2007	3,138,480	9,424,865	72,456	217,586	39,751	3,171,185	9,523,081	33.3%

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

Source: Santa Fe County Assessor's Office

TABLE VI

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

RESIDENTIAL

Tax Year Ended June 30	City	State	County	School District	Santa Fe Community College	Total Residential Tax Levy
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
2006	1.033	1.291	6.147	6.999	2.220	17.690
2007	1.026	1.221	6.282	6.960	3.119	18.608

NON-RESIDENTIAL

Tax Year Ended June 30	City	State	County	School District	Santa Fe Community College	Total Non- Residential Tax Levy
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
2006	1.901	1.291	11.935	7.269	4.046	26.442
2007	1.945	1.221	11.856	7.237	4.030	26.289

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

TABLE VII

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

<u>Taxpayer</u>	<u>2007</u>			<u>1997</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Public Service New Mexico	\$ 124,966,773	1	3.94%	\$ 32,998,854	2	1.85%
Qwest/ U.S. West	82,531,095	2	2.60%	64,812,306	1	3.62%
San Christobal Ranch	41,925,909	3	1.32%	-	-	-
Villa Linda Mall/ NM Mall Partners	36,725,046	4	1.16%	19,339,678	4	1.08%
Truzaf Ltd. Partnership	33,717,436	5	1.06%	-	-	-
La Posada	25,000,000	6	0.79%	-	-	-
De Vargas Mall	20,500,000	7	0.65%	-	-	-
La Fonda Hotel	18,558,668	9	0.59%	12,714,390	8	0.71%
El Dorado Partnership	18,633,300	8	0.59%	18,294,500	5	1.02%
Zorro Ranch Trust	18,145,397	10	0.57%	-	-	-
St. Vincent Hospital	-	-	-	20,000,000	3	1.12%
Gas Company of NM	-	-	-	15,479,800	6	0.87%
IBM Credit Corporation	-	-	-	13,274,887	7	0.74%
La Entrada de Santa Fe	-	-	-	10,871,064	10	0.61%
Shadowridge Apartments	-	-	-	11,534,078	9	0.65%
Total	<u>\$ 420,703,624</u>		<u>13.27%</u>	<u>\$ 219,319,557</u>		<u>12.27%</u>

Source: Santa fe County Assessor's Office

TABLE VIII

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

	2002	2003	2004	2005	2006	2007
Agriculture, Forestry, Hunting, Fishing	14,535,305	13,323,327	14,835,226	14,233,052	15,543,808	15,220,498
Mining	-	-	28,792	-	-	55,455
Transportation, Comm., Utilities	125,832,865	125,328,634	126,928,178	132,492,509	134,687,705	88,766,665
Construction	226,063,778	260,034,725	263,352,787	271,432,965	380,430,714	388,417,042
Manufacturing	52,401,641	53,881,403	54,428,710	57,877,054	65,874,819	64,132,851
Wholesale	71,782,783	70,050,020	33,008,529	52,857,424	75,216,827	82,665,311
Retail	1,007,896,673	1,033,006,717	1,111,472,486	1,109,047,122	1,174,552,952	989,287,438
Finance, Insurance & Real Estate	82,194,438	76,265,903	90,920,308	101,515,174	112,402,443	111,654,920
Services	913,806,542	971,407,620	994,134,811	991,322,300	1,100,096,163	1,101,909,545
Government	-	-	19,848	231,683	-	5,802
Unclassified/Misc. Other	2,076,962	5,922,033	61,077,685	104,911,676	5,113,158	13,316,089
Total	2,496,590,987	2,609,220,382	2,750,207,360	2,835,920,959	3,063,918,589	2,855,431,615

Source: State of New Mexico Taxation and Revenue Department

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

Note: GASB 34 Implemented 2002

TABLE IX

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

	Fiscal Year					
	2002	2003	2004	2005	2006 ⁽¹⁾	2007
Agriculture, forestry, hunting	\$ 347,880	\$ 360,156	\$ 394,162	\$ 401,436	\$ 455,081	\$ 456,874
Mining	588	722	(771)	-	-	1,663
Utilities	-	101,488	1,502,911	1,216,904	1,543,145	2,240,231
Construction	6,124,825	7,363,629	7,200,207	7,538,377	9,413,746	11,877,725
Manufacturing	1,485,782	1,465,851	1,557,272	1,582,900	1,839,688	1,954,756
Wholesale	1,959,464	2,002,390	1,811,327	1,453,583	1,726,084	2,541,040
Retail	31,861,671	30,092,879	30,852,659	29,019,897	28,049,244	30,363,839
Transportation & warehousing	3,234,982	763,649	150,146	210,111	217,660	389,881
Information & Cultural Indust.	-	-	792,009	1,209,249	1,238,465	1,673,707
Finance & insurance	2,323,365	1,726,658	669,778	775,655	809,785	960,829
Real estate, rental & leasing	-	429,851	1,853,383	2,019,600	2,474,170	2,450,804
Prof, Scientific, Technical	-	-	3,200,770	4,959,538	5,516,711	5,997,613
Management of companies	-	50,162	241,479	241,936	300,174	376,823
Admin & Support, Waste Mgt	-	-	35,204	101,389	203,807	289,906
Educational Services	-	-	133,238	185,471	227,896	254,368
Health Care & Social Assist	-	-	2,843,387	3,803,193	3,291,168	3,769,174
Arts, Entertainment & Recr	-	-	131,952	236,192	271,597	342,073
Accommodation & Food	-	-	4,392,307	7,431,444	8,900,411	10,039,922
Other Services	21,819,789	21,644,932	15,566,920	10,932,030	10,278,795	10,291,231
Public Administration	-	-	472	1,393	491	133
Unclassified	-	5,999,655	2,231,658	2,490,505	3,948,493	463,376
State Reimb-Food/Med Tax-Exempt	-	-	-	2,493,403	8,370,340	7,461,268
Total GRT Revenue Distribution	\$ 69,158,346	\$ 72,002,023	\$ 75,560,469	\$ 78,304,206	\$ 89,076,953	\$ 94,197,236
City direct Gross Receipts Tax rate	6.44%	6.69%	6.69%	7.31%	7.63%	7.63%

Note: GASB 34 Implemented 2002

Source: State of New Mexico Department of Taxation and Revenue Distribution Reports. Tax & Rev. collects and distributes these revenues to the City of Santa Fe.

Taxation & Revenue has implemented revised reporting formats at different times over the years, compromising comparability for earlier years.

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

⁽¹⁾ In July 2005 a 1/4% Water CIP was imposed. This increase is reflected in the 2006 and 2007 totals.

TABLE X

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

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Santa Fe County</u>
2002	6.44%	5.88%
2003	6.69%	6.13%
2004	6.69%	6.13%
2005	7.31%	6.25%
2006	7.63%	6.31%
2007	7.63%	6.31%

Source: New Mexico Taxation and Revenue Department

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

Note: GASB 34 Implemented 2002

TABLE XI

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF PLEDGED REVENUES
FISCAL YEAR 2006 AND 2007
(UNAUDITED)

	Fiscal Year	
	2006	2007
0.05% Municipal Gross Receipts Tax (GRT) revenues	\$ 14,978,224	\$ 15,567,593
MGRT Infrastructure revenues	1,844,422	1,922,480
MGRT Environmental revenues	1,847,427	1,923,944
State shared GRT revenues	37,597,228	39,035,621
TOTAL	<u>\$ 56,267,301</u>	<u>\$ 58,449,638</u>

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF GROSS RECEIPTS TAX REVENUES
FISCAL YEAR 2006 AND 2007

	Fiscal Year	
	2006	2007
Municipal general GRT (Including Capital Improvements)	\$ 29,956,448	\$ 31,135,186
Infrastructure revenues	7,377,689	7,689,920
MGRT revenues	7,489,112	7,783,796
Environmental revenues	1,847,427	1,923,944
State-shared GRT revenues	37,597,228	39,035,621
Water Capital Outlay	7,175,283	7,503,571
TOTAL	<u>\$ 91,443,187</u>	<u>\$ 95,072,038</u>

Source: City of Santa Fe Cash Management and
Investment Officer

Includes year-end accruals

TABLE XII

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

GENERAL FUND EQUITY DEBT

Fiscal Year Ended June 30	Population ¹	Assessed Value ²	Total General Obligation Debt Outstanding June 30	Amount Available Debt Service Fund	Net Bonded Debt	Ratio of Net Long Term Debt To Assessed Value	Net General Long Term Debt Per Capita
1998	61,000	1,831,421,557	-	-	-	-	-
1999	61,700	1,829,092,934	-	-	-	-	-
2000	62,203	1,917,663,295	-	-	-	-	-
2001	63,000	1,979,555,408	-	-	-	-	-
2002	63,500	2,073,426,259	-	-	-	-	-
2003	64,700	2,179,835,636	-	-	-	-	-
2004	65,800	2,375,557,803	-	-	-	-	-
2005	66,500	2,622,431,696	-	-	-	-	-
2006	68,359	2,888,942,909	-	-	-	-	-
2007	69,142	3,171,185,528	-	-	-	-	-

¹ Estimated population figures for 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006 and 2007 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 Census released March 1997.

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

TABLE XIII

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

FISCAL YEAR	PRINCIPAL	INTEREST	DEBT SERVICE	TOTAL GENERAL FUND EXPENDITURE	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
	\$ -	\$ -	\$ -	\$ -	0.00%

The City of Santa Fe does not have any general obligation bonds outstanding.

TABLE XIV

CITY OF SANTA FE, NEW MEXICO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2007
(UNAUDITED)

	General Obligation as of June 30, 2007	Percentage Applicable to City of Santa Fe	City of Santa Fe Share of Debt
State of New Mexico	\$ 362,735,000	6.860%	\$ 24,883,621
Santa Fe County	79,478,998	53.03%	42,147,713
Santa Fe Public Schools	45,900,000	57.46%	26,374,140
Santa Fe Community College	8,370,000	57.46%	4,809,402
Total Direct and Overlapping Debt			<u>\$ 98,214,876</u>

Ratios:

Total direct and overlapping debt to assessed valuation for tax year 2006 \$3,221,061	3.05%
Direct and overlapping debt to actual valuation of \$9,663,182,451	1.02%
Direct and overlapping debt per capita of 72,056	\$ 1,363

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

Legal Debt Margin Calculation for Fiscal Year 2007

Assesed Value	<u>\$ 3,171,185,528</u>
Debt Limit (4% of Assessed Value)	<u>\$ 126,847,421</u>
Debt applicable to limit	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 126,847,421</u></u>

	Fiscal Year									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt Limit	\$ 73,256,862	\$ 73,163,717	\$ 76,705,127	\$ 79,182,200	\$ 82,937,050	\$ 87,193,425	\$ 95,022,312	\$ 104,897,268	\$ 115,557,716	\$ 126,847,421
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 73,256,862</u>	<u>\$ 73,163,717</u>	<u>\$ 76,705,127</u>	<u>\$ 79,182,200</u>	<u>\$ 82,937,050</u>	<u>\$ 87,193,425</u>	<u>\$ 95,022,312</u>	<u>\$ 104,897,268</u>	<u>\$ 115,557,716</u>	<u>\$ 126,847,421</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Under state finance law, the city's outstanding general obligation debt should not exceed 4 percent of total assessed property value.

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

Refuse System Bonds

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Revenue Available for Debt Service			Coverage
				Debt	Service	
				Principal	Interest	
1997	\$ 7,123,256	\$ 5,986,595	\$ 1,136,661	\$ 800,000	\$ 133,598	1.22
1998	8,382,057	6,809,405	1,572,652	725,000	112,584	1.88
1999	10,571,354	7,395,347	3,176,007	745,000	272,439	3.12
2000	7,234,904	6,735,602	499,302	765,000	239,053	0.50
2001	7,217,858	6,972,029	245,829	845,000	204,603	0.23
2002	7,686,945	6,407,879	1,279,066	855,000	173,020	1.24
2003	9,168,144	7,313,927	1,854,217	975,000	130,176	1.68
2004	8,758,678	7,389,506	1,369,172	830,000	79,800	1.50
2005	9,002,479	7,568,713	1,433,766	775,000	38,750	1.76
2006	9,586,034	8,177,846	1,408,188	-	-	-

Water Refunding Bonds

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Revenue Available for			
			Debt Service	Debt	Service	Coverage
				Principal	Interest	
1998	\$ 15,657,391	\$ 10,902,173	\$ 4,755,218	\$ 980,000	\$ 4,473,767	0.87
1999	14,058,294	11,276,255	2,782,039	1,250,000	4,433,097	0.49
2000	16,054,358	10,990,899	5,063,459	1,520,000	4,379,972	0.86
2001	22,525,336	14,825,552	7,699,784	2,560,000	4,313,092	1.12
2002	28,391,646	9,782,972	18,608,674	2,680,000	4,197,892	2.71
2003	30,603,150	12,980,867	17,622,283	2,805,000	4,074,612	2.56
2004	28,068,292	16,399,297	11,668,995	2,935,000	3,942,778	1.70
2005	25,672,488	16,891,351	8,781,137	3,170,000	3,707,978	1.28
2006	27,989,331	16,124,320	11,865,011	3,425,000	3,454,378	1.72
2007	30,092,304	18,063,030	12,029,274	3,695,000	3,549,049	1.66

Municipal Recreation Complex Bonds

Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Revenue			Coverage
			Available for			
			Debt Service	Debt Principal	Service Interest	
1998	\$ 11,581	\$ 399,169	\$ -	\$ -	\$ 733,050	-
1999	4,640,220	1,081,864	3,558,356	305,000	1,094,705	2.54
2000	3,410,269	2,069,710	1,340,559	320,000	1,029,467	0.99
2001	3,244,066	1,190,557	2,053,509	335,000	1,014,747	1.52
2002	2,316,542	727,534	1,589,008	465,000	996,190	1.09
2003	2,288,481	740,862	1,547,619	495,000	973,632	1.05
2004	2,433,497	817,025	1,616,472	515,000	949,227	1.10
2005	2,392,543	1,740,581	651,962	545,000	923,133	0.44
2006	2,280,039	1,578,402	701,637	580,000	894,988	0.48
2007	2,097,707	1,583,318	514,389	670,000	606,128	0.40

TABLE XVII

CITY OF SANTA FE, NEW MEXICO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Government Activities				Business-Type Activities			Total Primary Government	Percent of Personal Income ¹	Per Capita ¹
	GRT Bonds	NMFA Loans	HUD 108 Loan	Capital Lease	MRC Bonds	Water Bonds	NMFA Loans			
1998	#####	\$ -	\$ -	\$ 13,161	\$ 19,010,000	\$ 76,250,000	\$ -	\$ 219,013,161	15.01%	3,590
1999	99,240,000	-	-	-	18,705,000	75,000,000	-	192,945,000	12.67%	3,127
2000	110,875,000	-	-	2,650,328	18,385,000	73,480,000	-	205,390,328	12.97%	3,302
2001	103,305,000	-	-	2,153,234	18,050,000	70,920,000	2,045,532	196,473,766	11.90%	3,119
2002	113,775,000	-	-	1,529,916	17,585,000	68,240,000	1,903,148	203,033,064	11.84%	3,197
2003	105,955,000	-	-	1,009,666	17,090,000	65,435,000	1,755,647	191,245,313	10.63%	2,956
2004	117,210,000	-	-	462,868	16,575,000	62,500,000	1,604,296	198,352,164	10.52%	3,014
2005	109,910,000	1,166,667	300,000	110,959	16,030,000	59,330,000	1,448,871	188,296,497	9.60%	2,832
2006	161,900,000	16,021,535	299,000	1,033,941	14,515,000	55,905,000	-	249,674,476	11.87%	3,652
2007	164,345,000	15,881,674	298,000	770,795	13,845,000	53,785,000	-	248,925,469	11.36%	3,600

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the Table XV Economic and Demographic Information for personal income and population data.

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

TABLE XVIII

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

Year	Population	Personal Income (<i>thousands of dollars</i>)	Per Capita Personal Income	Unemployment Rate
1998	61,000	\$ 1,459,486	\$ 23,926	3.60%
1999	61,700	1,523,373	24,690	2.80%
2000	62,203	1,583,315	25,454	3.60%
2001	63,000	1,651,734	26,218	3.60%
2002	63,500	1,714,754	27,004	3.80%
2003	64,700	1,799,566	27,814	4.30%
2004	65,800	1,885,104	28,649	4.30%
2005	66,500	1,962,282	29,508	4.50%
2006	68,359	2,103,816	30,776	3.50%
2007	69,142	2,191,041	31,689	3.10%

Source: The City of Santa Fe's Planning Department

POPULATION:

YEAR	CITY	COUNTY	STATE
1998	61,000	121,791	1,729,751
1999	61,700	123,386	1,736,931
2000	62,203	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
2005	66,500	144,000	1,928,384
2006	68,359	147,000	1,954,599
2007	69,142	149,530	2,056,920

Source: Estimated population figures for 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006 and 2007 were provided by the City of Santa Fe Planning Dept. Staff. Estimated population figure for 1997 was provided by the Population Estimated Program, U.S. Bureau of the Census released March, 1997. Estimates for State Population for 1997-2006 were provided by the Bureau of Business and Economic Research and U.S. Census.

AGE PROFILE:

AGE	CITY	STATE	UNITED STATES
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 XVIII

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

INCOME PROFILE:**HOUSEHOLD INCOME DISTRIBUTION, SANTA FE COUNTY, 2000:**

INCOME \$	NUMBER OF HOUSEHOLDS	PERCENT OF HOUSEHOLDS
Under 10,000	4,787	9%
10,000 to 14,999	3,157	6%
15,000 to 24,999	6,573	13%
25,000 to 34,999	6,834	13%
35,000 to 49,999	8,863	17%
50,000 to 74,999	9,672	18%
75,000 to 99,000	5,771	11%
100,000 and more	6,824	13%
Total Households	52,481	100%

The table above sets forth Income Profile based on the 2000 U.S. Census Bureau for 2000.

The table below sets forth the per-capita income, based on the total gross income divided by population, for Santa Fe County, the State of New Mexico and the United States.

CALENDAR YEAR	SANTA FE COUNTY	STATE OF NEW MEXICO	UNITED STATES
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
2004	36,095	26,184	33,090
2005	37,934	28,042	34,685
2006	38,854	29,725	36,629

Source: Bureau of Business & Economic Research, UNM

(Continued)

TABLE XVIII

CITY OF SANTA FE, NEW MEXICO
DEMOGRAPHIC AND ECONOMIC 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.

YEAR	PRE- KINDERGARTEN KINDERGARTEN	1-6	7-12	SPECIAL EDUCATION	TOTAL
1998	986	6,618	5,018	759	13,381
1999	1,088	7,063	5,432	0	13,583
2000	1,113	7,072	5,527	0	13,712
2001	1,011	6,860	5,507	0	13,378
2002	1,015	6,879	5,199	0	13,093
2003	1,094	6,745	5,626	0	13,465
2004	1,056	6,819	5,682	0	13,557
2005	1,292	6,770	5,673	0	13,735
2006	1,269	6,796	5,675	0	13,740
2007	1,241	6,850	5,274	0	13,365

The NM Department of Education no longer separately reports special education for public school.

Source: New Mexico Department of Education

PRIVATE SCHOOL DISTRICT ENROLLMENT-ASSESS EVALUATION UNIT

Santa Fe has 27 private and/or parochial schools, grades 1-12.

YEAR	KINDERGARTEN	1-6	7-12	SPECIAL EDUCATION	TOTAL
1998	260	738	2,031	12	3,041
1999	287	826	2,120	4	3,237
2000	228	874	1,994	1	3,097
2001	263	868	1,700	0	2,831
2002	222	872	2,258	0	3,352
2003	275	847	2,244	0	3,366
2004	216	805	2,263	0	3,284
2005	188	820	2,379	0	3,387
2006	150	808	1,600	0	2,558
2007	195	859	1,643	0	2,697

Source: New Mexico Department of Education

(Continued)

TABLE XVIII

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

HIGHER EDUCATION ENROLLMENT

School Year Ending	College of Santa Fe	Santa Fe Community College	St. Johns College	UNM Graduate Center	Institute of Indian Arts
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
2005	2,543	8,592	463	34	231
2006	2,576	8,537	473	40	239
2007	2,614	8,961	473	50	337

Source: Individual Institutions

TABLE XIX

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

CALENDAR YEAR	PROPERTY VALUE ¹	CONSTRUCTION PERMITS ²	
		ISSUED	VALUE
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
2005	4,887,341,479	6,871	487,596,832
2006	5,405,014,766	7,076	249,530,361

Utility Connections

CALENDAR YEAR	WATER METERS ³	ELECTRIC METERS ⁴	GAS METERS ⁵	TELEPHONE STATIONS ⁶
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
2005	35,287	66,124	45,192	Not Available
2006	36,169	68,107	46,547	Not Available

Source:

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

² City of Santa Fe Building Inspectors Office.

³ Sangre De Cristo Water Division

⁴ Public Service Company of New Mexico

⁵ Public Service Company of New Mexico

⁶ Public Regulation Commission

TABLE XX

CITY OF SANTA FE, NEW MEXICO
TEN LARGEST EMPLOYERS
SANTA FE METROPOLITAN AREA
JUNE 30, 2007
(UNAUDITED)

EMPLOYER	TYPE OF BUSINESS	APPROXIMATE NUMBER OF EMPLOYEES	PERCENTAGE ¹
State of New Mexico	Government	9,443	12.1%
Santa Fe School District	Education	1,850	2.4%
U.S. Federal Government	Government	1,750	2.2%
City of Santa Fe	Government	1,719	2.2%
St. Vincent Hospital	Medical	1,450	1.9%
Santa Fe County	Government	815	1.0%
Santa Fe Community College	Education	717	0.9%
Santa Fe Opera	Entertainment	650	0.8%
College of Santa Fe	Education	564	0.7%
Santa Fe Ski Company	Recreation	437	0.6%
Totals		19,395	24.9%

¹ These percentages are based on a total civilian labor force (Santa Fe County) of 77,821 from the New Mexico Department of Labor for 2007.

TABLE XXI

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

Function	Authorized Budgeted Positions of Employees as of June 30							
	2000	2001	2002	2003	2004	2005	2006	2007
General Government	325	329	267	262	271	271	284	284
Public safety								
Police								
Officers	96	115	147	151	150	150	150	150
Civilians	37	34	73	48	49	49	49	49
Fire								
Firefighters and officers	107	107	113	112	112	112	118	118
Civilians	8	13	10	12	10	10	9	9
Highways and streets								
Engineering	6	6	60	65	71	71	77	77
Maintenance	119	121	83	83	87	87	83	83
Sanitation	91	89	65	125	135	135	132	132
Culture and recreation	493	538	552	561	570	570	574	574
Water	68	82	119	71	74	80	86	86
Transit	76	72	78	78	84	84	89	89
Parking	52	53	58	60	59	59	54	54
Total	1478	1559	1625	1628	1672	1678	1705	1705

Source: City of Santa Fe Budget Office

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF INSURANCE IN FORCE
June 30, 2007
(Unaudited)

Insurance Carrier/Description	Policy #	Term	Coverage Limits	Annual Premium	Deductible	Miscellaneous
I. City of Santa Fe Self Insurance						
A. Worker's Compensation		Jul 01 - Jun 30	Maximum benefits under law	\$709,226	\$350,000	(Medical and Indemnity)
B. Retiree Health Insurance		Jul 01 - Dec 31, 2005	Unlimited	\$2,544,568		
C. Group Health Insurance		Jul 01 - Jun 30	Unlimited	\$12,427,097		
D. Fleet/Physical Damage	GPO6301413	Jul 01 - Jun 30	Replacement cost	\$167,061	\$25,000	
II. Employers Reinsurance Corporation						
Excess Worker's Compensation	SP-9938-NM	July 1 - June 30	Statutory limit	\$131,730	\$350,000	Self-Insured Retention
III. St. Paul Insurance Company.						
Public Entity Package	GPO6301413	July 1 - June 30		\$1,432,005		
A. Public Building Contents/Pers. Prop			\$250,000,000		\$75,000	
B. General Liability			Aggregate \$3 million, \$1,050,000 tort limit		\$50,000	Self-Insured Retention
C. Foreign Jurisdiction			\$1,050,000		\$50,000	Self-Insured Retention
D. Auto Liability			\$1,050,000		\$50,000	
E. Auto Physical Damage			Actual Cash Value		\$25,000	Self-Insured Retention
F. Healthcare Professional			\$1,050,000		\$50,000	
G. Inland Marine			Various		\$25,000	
H. Law Enforcement			\$4,000,000	\$341,847	\$50,000	
I. Public Officials & Employment Practices			\$4,000,000	\$365,545	\$100,000	
IV. Travelers Indemnity Company						
Boiler/Machinery	BAJBMC802X8550TIL06	July 1 - June 30	\$10,000,000	\$20,487	\$5,000	
Hazardous Substance			\$100,000			
Water Damage			\$100,000			
Ammonia Contamination			\$100,000			
Expediting Expenses			\$100,000			
Ordinance or Law			\$500,000			
V. The Hartford Insurance Company						
A. Crime (TD&D - Money & Securities)	59BPEDK8427	July 1 - June 30	\$100,000	\$3,595	\$5,000	
B. Employee Dishonesty	59BPEDK8427	July 1 - June 30	\$500,000	\$5,268	\$5,000	
VI. Talbot Insurance Company						
A. Old Republic Insurance Company						
Airport General Liability	AAPN0097867A	July 1 - June 30	\$20,000,000	\$19,315	\$2,500	
VII. Ing Benefits (ReliaStar)						
A. Specific Stop Loss	26001-1	Aug 31 - Aug 31	Medical in excess of \$200,000	\$298,330		
B. Aggregate Stop Loss			\$2,000,000	\$25,000		
C. Supplemental Life			2x annual salary-Natural death, 4x annual salary-Accidental death	\$340,352		
VIII. Zurich American Insurance Company						
Underground Storage Tank Liability	USC 92723844	July 1 - June 30	\$1,000,000 Total	\$2,319	\$5,000	
IX. AIG Environmental						
A. Pollution Legal Liability	PLS2673957	July 1 - June 30	\$2,000,000 aggregate	\$106,601	\$50,000	
B. Santa Fe Solid Waste Mgmt. Agency	EG 2671908	July 1 - June 30	\$1,000,000	\$65,971	\$25,000	
C. Fiduciary Employee Benefit Plan	672-82-86	July 1 - June 30	\$2,000,000 aggregate	\$10,783	\$25,000	Retention
X. Fireman's Fund						
Exhibition Floater	MXI-98382479	July 1 - June 30	\$50,000	\$1,000	\$500	
XI. Scottsdale Insurance Company						
Skateboard/BMXTrack/Parks	BCS 0013164	July 1 - June 30	\$1,000,000 aggregate	\$37,000	\$50,000	Self Insurance Retention

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

Form of Government

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

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

Year of incorporation	1891
City area (square miles)	41.6
Fire Protection	
Number of stations (Manned and Unmanned)	9
Total employees (Includes 6 Civilians)	145
Police Protection	
Number of stations	2
Total employees (Includes 46 Civilians)	201
Parks	
Acreage (developed, not open space or trails)	1,202
Number of parks	87
Community centers and recreational buildings	6
Swimming pools	4
Tennis courts	25
Libraries	
Holdings	317,638 items
Circulation	457,463 per year
Municipal Sewer	
Number of sewer accounts	34,812
Miles of sanitary lines	315

Notes:

Data as of June 30, 2007

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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, 2007

	Type of Account	Bank Balance	Outstanding Checks	Deposits In Transit	Carrying Balance	FAIR VALUE
Primary government						
Change, imprest funds	Petty cash	\$ -	\$ -	\$ -	\$ 13,434	\$ 13,434
Deposits with financial institutions:						
Wells Fargo Bank - Medical Claims	Checking	472,433	326,380	-	146,053	146,053
Wells Fargo Bank - General Liability	Checking	91,941	40,072	-	51,869	51,869
Wells Fargo Bank - Workers' Comp.	Checking	51,692	14,230	-	37,462	37,462
Wells Fargo Bank - E&O/Law Enforcement	Checking	100,004	-	-	100,004	100,004
Wells Fargo Bank - HUD Loan Repayment	Checking	-	-	-	-	-
Wells Fargo Bank - HUD Guar. Loan Funds	Checking	1,904	-	-	1,904	1,904
Wells Fargo Bank - HUD Debt Service Reserve	Checking	57,487	-	-	57,487	57,487
Wells Fargo Bank - Common	Checking	759,696	-	-	759,696	759,696
Wells Fargo Bank - Overland Sweep	Sweep	5,900,870	4,065,283	837,918	2,673,505	2,673,505
Wells Fargo Bank - Outgoing Elect. Payment	Checking	-	-	-	-	-
Wells Fargo Bank - Credit Card	Checking	-	-	10,834	10,834	10,834
Wells Fargo Bank - Business Savings	Savings	35,595,236	-	-	35,595,236	35,595,236
Wells Fargo Bank - Escrow for Water Rights Purchase	Savings	5,000	-	-	5,000	5,000
Wells Fargo Gov't Money Market - 2004B Reserve Ca	Trust	96,192	-	-	96,192	96,192
Bank of Albuq. - NMFA Fire Veh. Loan-Reserve	Trust	117,660	-	-	117,660	117,660
Bank of Albuq.-NMFA Fire Veh. Loan-Project	Trust	13,409	-	-	13,409	13,409
New Mexico Finance Authority-Fire Veh. Trust	Trust	22,184	-	-	22,184	22,184
New Mexico Finance Authority-Pkg Garage	Trust	728,805	-	-	728,805	728,805
NMFA - Railyard Phase II Tax Exempt	Trust	632,190	-	-	632,190	632,190
NMFA - Railyard Phase II Taxable	Trust	104,200	-	-	104,200	104,200
Bank of Albuq.-NMFA Railyard Loan-Reserve	Trust	432,035	-	-	432,035	432,035
Bank of Albuq.-NMFA Railyard Loan-Reserve	Trust	53,190	-	-	53,190	53,190
New Mexico Finance Authority-Railyard Phase I	Trust	45,353	-	-	45,353	45,353
New Mexico Finance Authority-Railyard Phase I	Trust	5,377	-	-	5,377	5,377
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 Community 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		46,286,858	4,445,965	848,752	42,689,645	42,689,645
Wells Fargo Gov't Money Market - 2004B Reserve Bonds	Trust	835,000	-	-	835,000	811,537
Wells Fargo Gov't Money Market Forward Purchase Agr.	Investment	133,124	-	-	133,124	133,124
Wells Fargo government Money Market	Investment	48,314,323	-	-	48,314,323	48,314,323
Federated Ultrashort Gov't Fund-Mny Mkt	Investment	13,846,536	-	-	13,846,536	13,846,536
Blackrock Investors T-Fund Money Mkt	Investment	13,500,000	-	-	13,500,000	13,500,000
Fidelity Government Fund-Money Mkt	Investment	15,000,000	-	-	15,000,000	15,000,000
NM State Local Government Investment Pool	Investment	33,000,000	-	-	33,000,000	33,000,000
New Mexico Municipal Securities	Investment	2,460,000	-	-	2,460,000	2,415,144
U.S. Government Agency Securities	Investment	81,346,958	-	-	81,346,958	80,432,391
Total investment balances		208,435,941	-	-	208,435,941	207,453,055
Total Accounts		254,722,799	4,445,965	848,752	251,139,020	250,156,134
Less: joint venture share of pooled cash		(11,472,024)			(11,472,024)	(11,320,756)
Total primary government		243,250,775	4,445,965	848,752	239,666,996	238,835,378

CITY OF SANTA FE, NEW MEXICO
 COMBINED SCHEDULE OF DEPOSITS AND INVESTMENTS
 (RECONCILIATION OF BANK BALANCE TO CARRYING BALANCE)
 ALL FUNDS
 June 30, 2007

	Type of Account	Bank Balance	Outstanding Checks	Deposits In Transit	Carrying Balance	FAIR VALUE
(continued)						
Component unit						
Change, imprest funds	Petty cash	\$ -	\$ -	\$ -	\$ 225	\$ 225
Deposits with financial institutions:						
New Mexico Bank and Trust-Security / Deposit	Savings	10,922	-	-	10,922	10,922
New Mexico Bank and Trust-Operating (La Cieneguita	Checking	46,056	783	-	45,273	45,273
New Mexico Bank and Trust-Insurance & Taxes	Savings	5,099	-	-	5,099	5,099
New Mexico Bank and Trust-Replacement Resurves	Savings	27,309	-	-	27,309	27,309
New Mexico Bank and Trust-Residual Receipts	Savings	88,361	-	-	88,361	88,361
First Community Bank-General Fund Operating	Checking	224,042	81,201	7,356	150,197	150,197
First Community Bank-Operating (Voucher)	Checking	714,593	9,745	-	704,848	704,848
First Community Bank-Reserves (Voucher)	Savings	558,931	-	-	558,931	558,931
First Community Bank-FSS Escrow	Checking	51,457	-	-	51,457	51,457
Los Alamos Natl Bank-Operating (Housing Developme	Checking	102,693	1,848	-	100,845	100,845
Los Alamos Natl Bank-Board account	Checking	8,239	-	-	8,239	8,239
Los Alamos Natl Bank-Security deposit (HA)	Savings	71,993	1,416	-	70,577	70,577
Los Alamos Natl Bank-Security deposit(H Developmer	Savings	12,938	-	-	12,938	12,938
Los Alamos Natl Bank-Operating (Voucher)	Checking	171,236	204	-	171,032	171,032
Los Alamos Natl Bank-Operating (Ceilo Azul)	Checking	33,293	-	-	33,293	33,293
Total bank and carrying balances		<u>2,127,162</u>	<u>95,197</u>	<u>7,356</u>	<u>2,039,546</u>	<u>2,039,546</u>
Investments						
Bank of New York-Bond fund	Investment	183,343	-	-	183,343	183,343
Bank of New York-Debt service fund	Investment	263,449	-	-	263,449	263,449
Bank of New York-Extraordinary maintenance	Investment	360	-	-	360	360
Bank of New York-Insurance escrow	Investment	86,564	-	-	86,564	86,564
Bank of New York-Operating	Investment	25,748	-	-	25,748	25,748
Bank of New York-PY Surplus fund	Investment	521,830	-	-	521,830	521,830
Bank of New York-Revenue fund	Investment	196,272	-	-	196,272	196,272
NM Bank and Trust -Investment	Investment	255,086	-	-	255,086	255,086
		<u>1,532,652</u>	<u>-</u>	<u>-</u>	<u>1,532,652</u>	<u>1,532,652</u>
Total component unit		<u>3,659,814</u>	<u>95,197</u>	<u>7,356</u>	<u>3,572,198</u>	<u>3,572,198</u>
TOTAL BANK BALANCE ALL FUNDS			<u>\$ 4,541,162</u>	<u>\$ 856,108</u>	<u>\$ 243,239,194</u>	<u>\$ 242,407,576</u>

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
(MARKET VALUE)
June 30, 2007

	Bank Balance	Total Unsecured Public Funds	Pledged Securities Market Value	Maturity Date
PRIMARY GOVERNMENT:				
<u>Wells Fargo Bank:</u>				
Medical Claims Checking	\$ 472,433			
General Liability Checking	91,941			
Worker's Compensation Checking	51,692			
E&O/Law Enforcement Liability Checking	100,004			
HUD Loan Repayment Checking	57,487			
HUD Guaranteed Loan Funds Checking	1,904			
Common Checking	759,696			
Total Checking	1,535,157			
Federal Depository Insurance	(100,000)			
Total Unsecured Public Funds (Checking)		1,435,157		
Business Savings	35,595,236			
Federal Depository Insurance	(100,000)			
Total Unsecured Public Funds (Savings)		35,495,236		
Total Unsecured Public Funds		36,930,393		
<u>Pledged Collateral held by Wells Fargo Bank, California:</u>				
FNMA, CUSIP 31991GH66			(10,044)	11/01/32
FNMA, CUSIP 31409CV69			(36,041,702)	05/01/36
FNMA, CUSIP 31410MQ29			(5,247,797)	06/01/36
GNMA, CUSIP 36202DNY3			(7,989,665)	07/20/31
GNMA, CUSIP 36202DVN8			(8,322,242)	12/21/32
GNMA, CUSIP 36202DVN8			(9,051,343)	12/21/32
Total Pledged collateral			(66,662,793)	
Excess Pledged Collateral			\$ (29,732,400)	
<u>Community Bank:</u>				
Certificate of Deposit	\$ 200,000			
Federal Depository Insurance	(100,000)			
Total Unsecured Public Funds		100,000		
<u>Pledged Collateral held at FRB, Kansas City:</u>				
FHLMC, CUSIP 31282R4S0			(52,948)	08/01/10
FNMA, CUSIP 31360FCZ6			(2,047)	02/01/24
FNMA, CUSIP 31360YKS2			(22,416)	11/01/24
FNMA, CUSIP 313612MQ3			(8,594)	10/01/25
FNMA, CUSIP 31361SQY5			(5,453)	01/01/08
FNMA, CUSIP 31361SVR4			(8,183)	01/01/27
FNMA, CUSIP 3128X3SL8			(98,236)	07/30/09
Total Pledged collateral			(197,877)	
Excess Pledged Collateral			\$ (97,877)	
<u>First Community Bank:</u>				
Certificate of Deposit	\$ 200,000			
Federal Depository Insurance	(100,000)			
Total Unsecured Public Funds		100,000		
<u>Collateral:</u>				
FHLB, CUSIP 3133MY3B1			(123,347)	04/23/08
Total Pledged collateral			(123,347)	
Excess Pledged Collateral			\$ (23,347)	

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF PLEDGED COLLATERAL
(MARKET VALUE)
June 30, 2007

	Bank Balance	Total Unsecured Public Funds	Pledged Securities Market Value	Maturity Date
(continued)				
COMPONENT UNIT:				
<u>New Mexico Bank and Trust</u>				
Checking and Savings	\$ 177,747			
Federal Depository Insurance	<u>(100,000)</u>			
Total Unsecured Public Funds		77,747		
Collateral held at Commerce Bank of St Louis:				
Eastern NM Rev, CUSIP 276785UD2 (par value)			<u>(245,000)</u>	4/1/17
Total Pledged collateral			<u>(245,000)</u>	
Excess Pledged Collateral			<u>\$ (167,253)</u>	
<u>First State Bank</u>				
Checking	\$ 1,549,023			
Federal Depository Insurance	<u>(100,000)</u>			
Total Unsecured Public Funds		1,449,023		
Collateral held at FRB Dallas:				
FHLB, CUSIP 3133MY3B1			(98,677)	4/23/08
FHLB, CUSIP 31339YEL2			(43,613)	12/30/08
FFCB, CUSIP 31331TMT5			(235,867)	6/12/08
FFCB, CUSIP 31331Q7A9			(48,610)	8/4/09
FFCB, CUSIP 3133MVZA4			(69,166)	2/15/08
MBS FHLMC, CUSIP 312962FT5			(357,417)	10/1/18
FHLMC, CUSIP 31395F6H2			(138,309)	8/15/14
FHR 2812 OB, CUSIP 31395AUY9			(99,433)	12/15/23
FNR Fannie Mae, cusip 31393XSV0			<u>(25,451)</u>	3/25/31
Total Pledged collateral			<u>(1,116,543)</u>	
Uninsured and uncollateralized			<u>\$ 332,480</u>	
<u>Los Alamos National Bank:</u>				
Checking	\$ 400,392			
Federal Depository Insurance	<u>(100,000)</u>			
Total Unsecured Public Funds		300,392		
Collateral held at FRB Dallas:				
FHLB, cusip 3133X54Z8			<u>(493,597)</u>	3/27/08
Total Pledged collateral			<u>(493,597)</u>	
Excess Pledged Collateral			<u>\$ (193,205)</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, 2007

	ASSETS				ALLOWANCE FOR DEPRECIATION		
	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Current Fiscal Year Deprec.	Accumulated Balance June 30,2007	Net Asset Value June 30,2007
Enterprise funds							
Primary government							
Land	\$ 26,966,063	\$ -	\$ -	\$ 26,966,063	\$ -	\$ -	\$ 26,966,063
Buildings and structures	57,511,411	355,096	-	57,866,507	938,649	21,651,990	36,214,517
Improvements	107,822,307	125,417	(2,064)	107,945,660	6,262,378	55,182,345	52,763,315
Sewerlines	21,120,966	-	-	21,120,966	488,382	12,600,262	8,520,704
Equipment and machinery	12,595,541	737,351	(320,114)	13,012,778	720,109	11,421,502	1,591,276
Furniture and fixtures	797,740	-	(3,612)	794,128	43,172	707,237	86,891
Vehicles	16,920,038	1,722,916	(71,869)	18,571,085	1,586,217	12,874,734	5,696,351
Intangible plant	57,625	-	-	57,625	-	57,625	-
Data processing and software	2,479,949	75,804	(31,846)	2,523,907	221,131	1,850,200	673,707
Art	180,971	-	-	180,971	-	-	180,971
Construction in progress	52,993,909	53,270,676	(355,096)	105,909,489	-	-	105,909,489
Total - primary government	299,446,520	56,287,260	(784,601)	354,949,179	10,260,038	116,345,895	238,603,284
Component unit							
Housing Authority:							
Land	835,152	-	-	835,152	-	-	835,152
WIP	498,786	753,043	(692,727)	559,102	-	-	559,102
Buildings and improvements	26,122,237	745,518	-	26,867,755	1,138,800	16,676,401	10,191,354
Equipment and machinery	137,878	57,431	-	195,309	33,736	131,574	63,735
Furniture and fixtures	243,759	-	-	243,759	-	243,759	-
Vehicles	145,599	53,915	-	199,514	28,913	131,045	68,469
Total	27,983,411	1,609,907	(692,727)	28,900,591	1,201,449	17,182,779	11,717,812
Total component unit	27,983,411	1,609,907	(692,727)	28,900,591	1,201,449	17,182,779	11,717,812
Total Enterprise funds	327,429,931	57,897,167	(1,477,328)	383,849,770	11,461,487	133,528,674	250,321,096
Total Proprietary funds:							
Primary government	299,446,520	56,287,260	(784,601)	354,949,179	10,260,038	116,345,895	238,603,284
Component unit	27,983,411	1,609,907	(692,727)	28,900,591	1,201,449	17,182,779	11,717,812
Total Proprietary funds	\$ 327,429,931	\$ 57,897,167	\$ (1,477,328)	\$ 383,849,770	\$ 11,461,487	\$ 133,528,674	\$ 250,321,096

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Other Supplementary Financial Data

CITY OF SANTA FE, NEW MEXICO
Schedule of Industrial Revenue Bonds Authorized
As of June 30, 2007
(Unaudited)

Recipient	Year Issue	Year of Retirement	Interest Rate	Amount of Issue	Purpose
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
College of Santa Fe	1997	2021	3.9% - 6.0%	8,770,000	Redeem portion of Outstanding debt and Fund capital projects
Tierra Contenta	1998	2008	Variable	3,000,000	Acquisition and Construction of a housing/commercial development
St. John's College	1998	2024	4.50%-5.50%	6,900,000	Refund outstanding balance on the 1992 debt issue and construction of campus facilities
College of Santa Fe	1998	2028	5.00%-5.50%	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	2029	3.125%-5.75%	5,400,000	Acquiring, renovating and expanding class- room and teaching facilities
College of Santa Fe	2006	2036	Variable	25,000,000	Refund all prior debt, construct student services center

CITY OF SANTA FE, NEW MEXICO
Schedule of Bonds Payable
Classified by Fund and Purpose
June 30, 2007 (UNAUDITED)

Fund and Purpose	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Outstanding June 30, 2007 Series Issue	Total
Revenue bonds payable solely from state-shared taxes:						
Gross receipts tax	4.50% - 5.50%	11/25/97	22,000,000	June 1, 2010	11,845,000	
	4.00% - 6.00%	12/11/97	20,800,000	June 1, 2022	18,600,000	
	4.00% - 5.60%	11/30/99	18,500,000	June 1, 2012	15,700,000	
	3.00% - 5.25%	02/01/02	17,995,000	June 1, 2015	15,500,000	
	2.00% - 4.00%	01/14/04	18,660,000	June 1, 2018	14,740,000	
	2.75% - 4.25%	08/25/04	8,470,000	June 1, 2010	4,400,000	
	4.00% - 5.00%	02/14/06	17,710,000	June 1, 2023	17,505,000	
	3.75% - 4.75%	03/28/06	12,220,000	June 15, 2035	42,220,000	
	4.25% - 5.00%	07/31/06	15,160,000	June 1, 2023	14,445,000	
	4.125% - 5.00%	09/29/09	9,780,000	June 1, 2021	9,390,000	
Total bonds payable solely from state-shared taxes					<u>164,345,000</u>	
Total bonds payable from tax revenue (governmental)						\$164,345,000
Revenue bonds payable from Enterprise funds (primary government)						
Municipal Recreation Complex	4.00% - 4.25%	08/30/05	15,315,000	June 1, 2024	13,845,000	
Total bonds payable from Municipal Recreation Complex fund					<u>13,845,000</u>	
Water Revenue Bonds	4.00% - 8.00%	12/01/95	77,940,000	June 1, 2017	3,995,000	
	4.25% - 5.00%	08/09/06	49,790,000	June 1, 2025	49,790,000	
Total bonds payable from Water fund					<u>53,785,000</u>	
Total revenue bonds payable from Enterprise funds (business-type)						<u>67,630,000</u>
TOTAL LONG-TERM INDEBTEDNESS						<u><u>\$231,975,000</u></u>

CITY OF SANTA FE, NEW MEXICO
Schedule of Mortgage Revenue Bonds Authorized
As of June 30, 2007
(Unaudited)

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

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
FISCAL YEAR ENDED
June 30, 2007

PARTICIPANTS	RESPONSIBLE PARTY	DESCRIPTION	DATES OF AGREEMENT	TOTAL AMOUNT/ CITY SHARE	FY06 AMOUNT	AUDIT RESPONSIBILITY
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	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 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

(Continued)

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
FISCAL YEAR ENDED
June 30, 2007

PARTICIPANTS	RESPONSIBLE PARTY	DESCRIPTION	DATES OF AGREEMENT	TOTAL AMOUNT/ CITY SHARE	FY06 AMOUNT	AUDIT RESPONSIBILITY
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 Santa Fe County	Both	Household Hazardous Waste Day	07/01/06 to 07/31/2007	-	-	City of Santa Fe
City of Santa Fe Santa Fe County	Both	EMS and Fire Services Agua Fria, Tesuque and La Cienega Area	10/25/2006 06/30/2007	\$496,415		City of Santa Fe
City of Santa Fe Santa Fe County	Both	Comprehensive Community DWI	04/26/2007 until termination	-	-	City of Santa Fe
City of Santa Fe Santa Fe County	Both	Operation of the Santa Fe Regional Emergency Communications Center	05/09/2007 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	\$156,000 Reimbursement	-	City of Santa Fe
City of Santa Fe ENMRD	Both	Wild Fire Protection and Suppresion	06/06/2006 to 06/06/20011	-	-	Both
City of Santa Fe El Museo Cultural of Santa Fe	Both	Building Improvements	12/01/05 to 06/30/2008	\$200,000	\$200,000	City of Santa Fe

(Continued)

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF JOINT POWERS AGREEMENTS
FISCAL YEAR ENDED
June 30, 2007

PARTICIPANTS	RESPONSIBLE PARTY	DESCRIPTION	DATES OF AGREEMENT	TOTAL AMOUNT/ CITY SHARE	FY06 AMOUNT	AUDIT RESPONSIBILITY
City of Santa Fe Santa Fe County	Both	Household Hazardous Waste Drop	01/27/2006 to 07/31/2006	\$20,000	\$20,000	City of Santa Fe
City of Santa Fe Santa Fe County	Both	Senior Citizen Programs	07/01/04 to 06/30/2007	\$1,365,037	\$348,805	City of Santa Fe
City of Santa Fe Sandoval County Sheriffs Dept	Both	Kasey says Program	07/01/2006 04/26/2007	-	-	City of Santa Fe
City of Santa Fe Santa Fe County	Both	Edward Bryne Memorial Justice Grant	02/08/06 to 06/30/2008	\$108,456	-	City of Santa Fe
City of Santa Fe NM Attorney General's Office	Both	Grant Internet crimes against children task force	04/04/06 to 04/04/2008	-	-	Both
City of Santa Fe NM Environment Department	Both	Air Quality Monitoring at Santa Fe Municipal Airport	02/14/2007 06/30/2007	-	-	Both
City of Santa Fe New Mexico Energy, Minerals and Natural Resources Department	Both	Construction of ATV/ Off Highway Vehicle Trails at MRC	02/28/2007 06/30/2007	\$350,000	-	Both
City of Santa Fe NM Department of Cultural Affairs	Both	City of Santa Fe Community Read Program	07/01/2006 06/30/2007	-	-	City of Santa Fe
City of Santa Fe North Central Regional Transit District	Both	Fiscal Agent Agreement	03/29/2007 10/01/2007	-	-	City of Santa Fe
City of Santa Fe NM State Film Office	Both	Establish Policies Sanctioned film Liaisons work with NM State Film Office	05/03/2007 until termination	-	-	City of Santa Fe

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF OTHER FINANCIAL ASSISTANCE
FISCAL YEAR ENDED
June 30, 2007
(UNAUDITED)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2006	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2007
N.M. HIGHWAY AND TRANSPORTATION DEPARTMENT					
Airport Improvements	\$ 87,448	\$ 15,308	\$ 15,308	\$ -	\$ -
Airport Improvements	59,951	-	-	7,512	7,512
Airport Improvements	85,000	85,000	85,000	-	-
El Camino Real Scenic Byways	151,352	7,450	7,450	1,186	1,186
Bridge Rehabilitation	40,000	40,000	40,000	-	-
Camino Alire Bridge	100,000	-	-	100,000	100,000
Southside Signal	25,000	-	-	23,351	23,351
Intersection Safety	60,000	-	-	60,000	60,000
Airport Improvements	195,668	-	129,213	167,802	38,589
Casa Alegre	210,000	-	157,260	157,260	-
Commuter Rail System Infrastructure	682,000	-	-	682,000	682,000
Santa Fe Railyard-Park and Plaza	983,928	-	-	295,829	295,829
Police Mobile Data Terminal	178,045	-	178,045	178,045	-
Temporary Assistance to Needy Families	50,000	-	-	6,610	6,610
TOTAL Highway and Transportation Department	\$ 2,908,392	\$ 147,758	\$ 612,276	\$ 1,679,595	\$ 1,215,077
N.M. DEPARTMENT OF TOURISM					
Beautification and Litter Control Program	\$ 74,400	\$ 18,137	\$ 12,621	\$ 11,563	\$ 17,079
TOTAL N.M. Department of Tourism	\$ 74,400	\$ 18,137	\$ 12,621	\$ 11,563	\$ 17,079
N.M. PUBLIC REGULATION COMMISSION					
Fire Protection	\$ 210,071	\$ -	\$ 210,071	\$ 210,071	\$ -
TOTAL N.M. Department of Tourism	\$ 210,071	\$ -	\$ 210,071	\$ 210,071	\$ -
N.M. HEALTH AND ENVIRONMENT DEPARTMENT					
SF Water Treatment Facility	2,000,000	1,205,621	1,118,519	-	87,102
SF Water Treatment Facility	775,000	166,833	166,833	-	-
Effluent Line-Tierra Contenta	104,000	2,151	34,609	32,458	-
Sewer line Rehabilitation	50,000	-	50,000	50,000	-
Emergency Medical Service	20,000	-	20,000	20,000	-
TOTAL Health and Environment Department	\$ 2,949,000	\$ 1,374,605	\$ 1,389,961	\$ 102,458	\$ 87,102
N.M. ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT					
Hazardous Fuel Reduction (Project 1)	\$ 156,000	\$ 55,958	\$ 55,958	\$ -	\$ -
Wildland Urban Interface (Project 3)	180,000	98,181	-	20,900	119,081
Hazardous Fuel Reduction (Project 4)	225,000	45,684	-	55,225	100,909
Santa Fe Rail and River Trail	238,364	-	-	201,770	201,770
TOTAL Energy, Minerals and Natural Resources	\$ 799,364	\$ 199,823	\$ 55,958	\$ 277,895	\$ 421,760

(continued)

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF OTHER FINANCIAL ASSISTANCE
FISCAL YEAR ENDED
June 30, 2007
(UNAUDITED)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2006	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2007
STATE AGENCY ON AGING					
Title III-B	\$ 126,989	\$ 4,511	\$ 131,500	\$ 126,989	\$ -
Title III-C-1	128,840	9,833	138,673	128,840	-
Title III-C-2	139,846	6,895	146,741	139,846	-
Senior Companion Program	122,722	15,284	123,924	122,722	14,082
Foster Grandparent Program	115,772	10,721	119,081	115,772	7,412
Retired Senior Volunteer Program	36,506	10,000	31,559	36,506	14,947
Title III-E	133,472	24,741	101,776	133,472	56,437
State Area On Aging Capital improvemnts	532,284	72,628	82,624	9,996	-
Senior Employment Program	23,958	4,900	23,123	23,958	5,735
Senior Center Renovations	131,750	21,371	131,750	110,379	-
TOTAL State Agency on Aging	\$ 1,492,139	\$ 180,884	\$ 1,030,751	\$ 948,480	\$ 98,613

COUNTY OF SANTA FE

County Grant	\$ 332,576	\$ 667,428	\$ 914,719	\$ 332,575	\$ 85,284
Sec 9-Santa Fe County	121,800	166,000	166,000	15,313	15,313
Trails/Bike Paths	65,000	-	4,956	4,956	-
DWI-Police Protection	4,307	-	-	-	-
TOTAL County of Santa Fe	\$ 523,683	\$ 833,428	\$ 1,085,675	\$ 352,844	\$ 100,597

SANTA FE PUBLIC SCHOOLS

Crossing Guards Grant	\$ 150,581	\$ 40,058	\$ 40,058	\$ -	\$ -
TOTAL Santa Fe Public Schools	\$ 150,581	\$ 40,058	\$ 40,058	\$ -	\$ -

N.M. DEPARTMENT OF FINANCE AND ADMINISTRATION

MRC Rugby Fields	\$ 335,000	\$ 8,622	\$ 9,937	\$ 1,315	\$ -
El Museo Cultural	198,000	193,326	192,317	-	1,009
Santa Fe Boys and Girls Club	230,000	160,350	160,350	35,000	35,000
Santa Fe Boys and Girls Club	232,250	98,700	98,700	22,500	22,500
Municipal Court Automation	32,871	-	32,871	32,871	-
Santa Fe Railyard-Traffic Impact	500,000	266,363	186,018	-	80,345
Southside Library	1,941,920	1,263,770	1,758,770	678,150	183,150
Santa Fe Youth Consortium	486,400	195,851	195,851	19,602	19,602
Cathedral Park	120,000	-	-	33,416	33,416
Catholic Charities	35,000	18,336	18,336	-	-
Women's Health Services	120,000	86,102	86,102	28,724	28,724
National Dance Institute	248,500	77,816	77,816	169,266	169,266
Lensic	50,000	27,671	27,671	22,329	22,329
Performing Arts	25,000	25,000	25,000	-	-
Open Hands	35,000	24,999	24,999	10,000	10,000
Rape Crisis Center	95,000	-	-	95,000	95,000
Santa Fe Children's Museum	120,000	-	40,567	50,000	9,433
Police and Fire Training Site	1,549,750	-	-	366,528	366,528
Korean War Memorial	16,000	-	10,000	16,000	6,000
La Tierra Trails	40,000	-	-	16,842	16,842
Alto Park	200,000	-	-	200,000	200,000

(continued)

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF OTHER FINANCIAL ASSISTANCE
FISCAL YEAR ENDED
June 30, 2007
(UNAUDITED)

Grantor Program Name Grant Number	State Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2006	Cash or Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2007
Amilia White Park	30,000	-	-	30,000	30,000
Santa Fe Municipal Airport	100,000	-	100,000	100,000	-
Santa Fe Railyard-Farmer's Market	1,493,950	-	-	320,000	320,000
Santa Fe Railyard-Park and Plaza	1,165,000	-	-	669,663	669,663
Operation Buckle Down	16,509	-	2,850	7,575	4,725
Click It or Ticket	6,000	4,350	-	-	4,350
DWI	36,593	2,674	1,875	7,917	8,716
STEP Grant	18,382	1,967	3,856	6,004	4,115
Library General Obligation Bonds	270,122	87,242	87,242	86,066	86,066
Law Enforcement Protection	110,000	-	110,000	110,000	-
Genoveva Chavez Center	45,000	8,132	34,441	36,834	10,525
La Familia	1,809,150	251,158	195,524	-	55,634
Child Care Facility	40,000	40,000	40,000	-	-
Tierra Contenta/Vistas Del Sol	235,000	210,000	210,000	-	-
Governor Richardson's Innovation	500,000	395,518	445,518	50,000	-
Hazardous Equipment & Training	7,000	7,000	14,000	7,000	-
TOTAL Dept. of Finance and Administration	\$ 12,493,397	\$ 3,454,947	\$ 4,190,611	\$ 3,228,602	\$ 2,492,938
NM FINANCE AUTHORITY					
Buckman Direct Diversion	\$ 2,800,000	\$ 512,730	\$ 512,730	\$ -	\$ -
Buckman Direct Diversion	2,000,000	497,606	497,606	-	-
Buckman Direct Diversion	3,380,954	1,211,805	1,211,805	889,365	889,365
TOTAL NM Mortgage Finance Authority	\$ 8,180,954	\$ 2,222,141	\$ 2,222,141	\$ 889,365	\$ 889,365
NM ARTS COMMISSION					
NEA-Arts in School	\$ 32,000	\$ -	\$ 32,458	\$ 84,909	\$ 52,451
NM Arts Grant	10,000	6,582	6,582	7,409	7,409
TOTAL NM Arts Commission	\$ 42,000	\$ 6,582	\$ 39,040	\$ 92,318	\$ 59,860
GRAND TOTAL	\$ 29,823,981	\$ 8,478,363	\$ 10,889,163	\$ 7,793,191	\$ 5,382,391

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Single Audit Section

CITY OF SANTA FE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED
June 30, 2007

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2006	Cash Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2007
Primary Government							
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Department of Housing and Urban Development Direct Programs:							
Railyard-Dev Infrastructure	14.142	B01SPNM0403	\$ 449,230	\$ 12,458	\$ 430,840	\$ 418,382	\$ -
Railyard-Dev Farmers Mkt	14.142	B01SPNM0403	249,230	15,980	125,365	109,385	-
			698,460	28,438	556,205	527,767	-
CDBG-Entitlement and (HUD-Administered) Small Cities Cluster							
Community Develop Block Grant	14.218	B00MC350003	535,046	132,868	638,881	687,230	181,217
Total CDBG-Entitlement and (HUD-Administered) Small Cities Cluster			535,046	132,868	638,881	687,230	181,217
Shelter Plus	14.238	NM02C301010	170,928	5,296	5,296	-	-
Shelter Plus	14.238	NM02C401014	186,336	13,173	54,291	41,118	-
Shelter Plus	14.238	NM02C301013	115,164	10,422	17,109	6,687	-
Shelter Plus - La Luz	14.238	NM02C001001	342,720	6,023	6,023	-	-
Shelter Plus	14.238	NM02C5-01-008	524,460	-	34,589	49,324	14,735
Shelter Plus	14.238	NM02C5-01-009	188,436	-	119,702	119,702	-
Shelter Plus	14.238	NM02C5-01-010	194,496	-	160,324	188,244	27,920
Shelter Plus	14.238	NM02C5-01-011	121,272	-	81,551	93,045	11,494
			1,843,812	34,914	478,885	498,120	54,149
Economic Development Initiative Grant	14.246	B00ED350029	300,000	-	-	213,000	213,000
			300,000	-	-	213,000	213,000
Fair Housing Initiative FY 03-04	14.409	FH400603033	79,840	24,687	24,687	-	-
Fair Housing Initiative FY 05-06	14.409	FH400G04102	77,494	40,082	40,006	60,682	60,758
			157,334	64,769	64,693	60,682	60,758
Department of Housing and Urban Development			\$ 3,534,652	\$ 260,989	\$ 1,738,664	\$ 1,986,799	\$ 509,124
DEPARTMENT OF TRANSPORTATION							
Federal Highway Administration Direct Program:							
Casa Solana Traffic Calming	20.219	TCSP001	\$ 200,000	\$ -	\$ -	\$ 8,072	\$ 8,072
Total Federal Highway Administration Direct Program:			200,000	-	-	8,072	8,072
Federal Aviation Administration Direct Program:							
Airport Improvement Grant #17	20.106	AIP 3-35-0037-17-2003	2,700,000	-	2,680,973	2,680,973	-
Airport Improvement Grant #20	20.106	AIP 3-35-0037-20-2002	604,731	-	16,218	16,218	-
Airport Improvement Grant #21	20.106	AIP 3-35-0037-21-2004	1,000,000	-	319,692	441,908	122,216
Airport Improvement Grant #24	20.106	AIP 3-35-0037-24-2005	535,028	-	531,506	533,014	1,508
Airport Improvement Grant #25	20.106	AIP 3-35-0037-25-2005	200,000	3,612	96,014	92,462	60
Airport Improvement Grant #26	20.106	AIP 3-35-0037-26-2005	957,591	12,440	30,715	32,249	13,974
Airport Improvement Grant #28	20.106	AIP 3-35-0037-28-2007	1,736,142	-	-	716,657	716,657
Total Federal Aviation Administration Direct Program:			7,733,492	16,052	3,675,118	4,513,481	854,415
Department of Transportation Direct Program:							
Section 5309	20.500	NM03X0042	196,736	-	78,701	89,289	10,588
Section 5309	20.500	NM030035	2,999,029	21,824	123,557	142,624	40,891
Section 5309	20.500	NM03X045	1,457,667	27,395	138,355	110,960	-
			4,653,432	49,219	340,613	342,873	51,479
Section 5307							
Operating	20.507	NM90X072	850,658	33,192	33,192	-	-
Operating	20.507	NM90X075	1,115,859		691,325	927,020	235,695
			1,966,517	33,192	724,517	927,020	235,695
Section 3037 (JARC)	20.516	NM37X009	630,000	78,762	190,793	166,836	54,805
			630,000	78,762	190,793	166,836	54,805
Section 5317	20.521	NM57X001	51,249	-	-	57,999	57,999
			51,249	-	-	57,999	57,999
Total Department of Transportation Direct Program:			7,301,198	161,173	1,255,923	1,494,728	399,978

(continued)

CITY OF SANTA FE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED
June 30, 2007

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2006	Cash Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2007
Primary Government							
Passed-through N.M. Highway and Transportation Department:							
Highway and Planning Cluster:							
Section 112	20.205	D01849/99	115,374	62,007	62,007	115,333	115,333
Intersection Safety	20.205	TPZ-5875(1)	540,000	-	-	540,000	540,000
Total Highway and Planning Cluster:			655,374	62,007	62,007	655,333	655,333
Section 5303	20.505	NM80X007(4)	28,846	32,453	32,453	15,474	15,474
			28,846	32,453	32,453	15,474	15,474
Federal Transit Cluster:							
Ridefinders 05/06	20.507	TPO-7749(9)	40,000	21,483	21,483	-	-
Ridefinders 06/07	20.507	TPO-7749(9)	56,912	-	-	66,391	66,391
Total Federal Transit Cluster:			96,912	21,483	21,483	66,391	66,391
Total Department of Transportation passed-through			781,132	115,943	115,943	737,198	737,198
Department of Transportation			\$ 16,015,822	\$ 293,168	\$ 5,046,984	\$ 6,753,479	\$ 1,999,663
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Passed-through NM State Agency on Aging/NCNMEDD:							
Aging Cluster:							
Title III-B	93.044	2005-005	\$ 108,669	\$ 4,356	112,201	\$ 108,669	\$ 824
Title III-C-1	93.045	2005-005	104,468	8,391	112,859	104,468	-
Title III-C-2	93.045	2005-005	40,285	3,426	43,711	40,285	-
NSIP	93.053	2005-005	144,823	29,193	164,228	144,283	9,248
Total Aging Cluster:			398,245	45,366	432,999	397,705	10,072
Title III-E	93.052	2005-005	76,340	14,418	53,497	75,300	36,221
			76,340	14,418	53,497	75,300	36,221
Department of Health and Human Services/NCNMEDD			\$ 474,585	\$ 59,784	\$ 486,496	\$ 473,005	\$ 46,293
Passed-through NM State Agency on Aging:							
Foster Grandparent/Senior Companion Cluster:							
Foster Grandparent Program	94.011	72.001	\$ 25,960	\$ 8,158	26,693	\$ 25,960	\$ 7,425
Total Foster Grandparent/Senior Companion Cluster:			25,960	8,158	26,693	25,960	7,425
Retired Senior Volunteer Program	94.002	72.002	35,711	17,778	35,696	35,711	17,793
			35,711	17,778	35,696	35,711	17,793
Total Passed-through NM State Agency on Aging:			61,671	25,936	62,389	61,671	25,218
Department of Health and Human Services			\$ 536,256	\$ 85,720	\$ 548,885	\$ 534,676	\$ 71,511
US DEPARTMENT OF JUSTICE							
Passed-through NM Children Youth and Families:							
Juvenile Justice - Education	16.523	046903000-3061	\$ 90,000	\$ 13,220	\$ -	\$ -	\$ 13,220
Juvenile Justice - Continuum 06/07	16.523	07-690-3106	115,000	-	106,379	111,279	4,900
Juvenile Justice - Continuum 05/06	16.523	669070007128	127,500	35,828	35,828	-	-
Juvenile Justice - Continuum 04/05	16.523	056907000-7062	180,000	28,491	26,807	-	1,684
Juvenile Justice - Continuum 06/07	16.523	07-690-7000-7024	33,500	-	31,750	33,500	1,750
			546,000	77,539	200,764	144,779	21,554
Juvenile Justice TCAP	16.540	569070007154	35,000	3,020	3,020	-	-
Juvenile Justice JABG FY 04/05	16.540	056907000-7093	12,600	5,400	-	-	5,400
Juvenile Justice JABG FY 05/06	16.540	669070007044	10,000	-	10,000	10,000	-
			57,600	8,420	13,020	10,000	5,400
US Department of Justice			\$ 603,600	\$ 85,959	\$ 213,784	\$ 154,779	\$ 26,954

(continued)

CITY OF SANTA FE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED
June 30, 2007

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Program or Award Amount	Cash/Accrued or (Deferred) Revenue at July 1, 2006	Cash Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2007
Primary Government							
FEDERAL EMERGENCY MANAGEMENT AGENCY							
Passed through NM Dept of Public Safety Assistance to Firefighters Grant	97.044	EMW-2005-FG-16250	\$ 158,020	\$ -	\$ -	18,576	\$ 18,576
Federal Emergency Management Agency			\$ 158,020	\$ -	\$ -	18,576	\$ 18,576
DEPARTMENT OF INTERIOR							
National Park Service							
Passed through NM State Historic Presevation Historic Pres	15.904	35-06-21534.08	\$ 15,000	\$ 5,300	\$ 11,955	10,155	\$ 3,500
Department of Interior			\$ 15,000	\$ 5,300	\$ 11,955	\$ 10,155	\$ 3,500
US DEPARTMENT OF HOMELAND SECURITY							
Santa Fe Muni Airport-TSA	97.008	HSTS0104ALEF075	\$ 71,736	\$ 8,368	\$ 35,095	37,020	\$ 10,293
US Department of Homeland Security			\$ 71,736	8,368	35,095	\$ 37,020	\$ 10,293
ENVIRONMENTAL PROTECTION AGENCY							
Environmental River Restoration	66.606	X-986906-01-0	\$ 748,000	\$ 160,303	279,760	\$ 119,457	\$ -
Environmental Protection Agency			\$ 748,000	160,303	279,760	\$ 119,457	\$ -
TOTAL FEDERAL FINANCIAL AWARDS			\$ 21,683,086	\$ 899,807	\$ 7,875,127	\$ 9,614,941	\$ 2,639,621
TOTAL EXPENDITURES OF FEDERAL AWARDS - Primary Government			\$ 21,683,086	\$ 899,807	\$ 7,875,127	\$ 9,614,941	\$ 2,639,621

CITY OF SANTA FE, NEW MEXICO
NOTES TO SUPPLEMENTAL SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2007

General

The following is a reconciliation of the total Federal Awards of the City of Santa Fe and its component unit Santa Fe Civic Housing Authority for the year ended June 30, 2007:

City of Santa Fe Federal Expenditures as reported on page 221	\$ 9,614,941
Santa Fe Civic Housing Authority Federal Expenditures as reported on page 251	5,724,015
Combined Federal Expenditures of the Primary Government and Component Unit	<u>\$ 15,338,956</u>

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.

<u>Relationship to the Comprehensive Annual Financial Report:</u>	<u>CFDA #</u>	<u>AMOUNT</u>
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U.S. Department of Housing and Urban Development

Special Revenue Funds		
Community Development Grants		
Community Development Block Grants	14.218	\$ 687,230
Economic Development Initiative Grant	14.246	213,000
Fair Housing Initiative	14.409	60,682
Shelter Plus	14.238	41,118
Shelter Plus	14.238	6,687
Shelter Plus	14.238	49,324
Shelter Plus	14.238	119,702
Shelter Plus	14.238	188,244
Shelter Plus	14.238	93,045
Railyard-Dev Infrastructure	14.142	418,382
Railyard-Dev Farmers Market	14.142	109,385
Component Unit		
Enterprise Fund - Housing Authority		
Community Development Block Grant	14.218	30,000
Public Housing Subsidy	14.850	894,413
Housing Choice Vouchers Mainstream	14.871	119,034
Resident Opp and Support Services	14.870	68,513
Section 8	14.871	3,862,941
Comprehensive Grant Program	14.872	749,114

Department of Interior

Special Revenue Grants		
Historic Preservation Grant	15.904	10,155

U.S. Department of Justice

Special Revenue Grants		
Law Enforcement Grants		
Juvenile Justice JABG	16.540	10,000
Juvenile Justice - Continuum 06/07	16.523	144,779

Department of Transportation

Enterprise Fund - Transit Bus System		
Welfare to Work (JARC)	20.516	166,836
Section 5307	20.507	927,020
Section 5309	20.500	342,873
Section 5317	20.521	57,999
Airport Improvement Grants	20.106	4,513,481

CITY OF SANTA FE, NEW MEXICO
NOTES TO SUPPLEMENTAL SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2007

Special Revenue Fund		
Transportation Grants		
Section 112	20.205	115,333
Section 8	20.505	15,474
Ridefinders	20.507	66,391
Capital Project Fund		
Casa Solana Traffic Calming	20.219	8,072
Intersection Safety	20.205	540,000
Environmental Protection Agency		
Enterprise Fund - Water Management		
Environmental River Restoration	66.606	119,457
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	93.052	75,300
NSIP	93.053	144,283
Corporation for National and Community Service		
Special Revenue Funds		
Senior Citizens Grants		
Foster Grandparent Program	94.002	25,960
Retired Senior Volunteer Program	94.002	35,711
US Department of Homeland Security		
Enterprise Fund -Airport		
Santa Fe Municipal Airport-TSA	97.008	37,020
Federal Emergency Management Agency		
Special Revenue Funds		
Emergency Service Grants		
Emergency Preparedness Grants	97.044	18,576
	TOTAL	\$ 15,338,956

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**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. Hector Balderas
New Mexico State Auditor

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and all budgetary comparisons of the City of Santa Fe, New Mexico (City) as of and for the year ended June 30, 2007, and have issued our report dated April 4, 2008. 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 financial statements and Santa Fe Civic Housing Authority as of and for the year ended June 30, 2007, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in the internal control to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as items 06-03, 06-05, and 07-01.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

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

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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16 and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as items 06-01, 06-02, 06-04, and 06-06.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, City Council, the Office of the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
April 4, 2008

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**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. Hector Balderas
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, 2007. 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.

The City of Santa Fe's basic financial statements include the operations of the Santa Fe Civic Housing Authority which received \$5,724,015 in federal awards which is not included in the Schedule of Expenditures of Federal Awards during the year ended June 30, 2007. Our audit, described below, did not include the operations of the Santa Fe Civic Housing Authority because this is a component unit which had a separate audit performed in accordance with OMB Circular A-133.

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,

City of Santa Fe
Santa Fe, New Mexico
Honorable Mayor and City Council
and
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New Mexico State Auditor

evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. 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 07-02 and 07-03.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is

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

a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-02 and 07-03 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the City's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, City Council, the Office of the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
April 4, 2008

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS
Year Ended June 30, 2007**

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? X Yes _____ None Reported

Non-compliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es) X Yes _____ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? X Yes _____ No

Identification of Major Program

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.238	Shelter Plus Care
20.500/20.507	Federal Transit Cluster
20.205	Federal Highway Administration Planning and Construction

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

Auditee qualified as low-risk auditee? X Yes _____ No

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

06-01 Internal Audit Plan

CONDITION

Currently, the internal audit department plans and designs audit testing in reactive fashion; which generally results in investigations and reviews that are performed subsequent to the occurrence.

CRITERIA

An effective system of internal controls includes effective monitoring of procedures and processes, such as an internal audit function that conducts periodic reviews of key transaction cycles. Key cycles should be identified based on an internal risk assessment and an evaluation of the significance of each cycle to the successful conduct of the City's operations.

CAUSE

The internal audit department does not use a risk-based approach to designing and performing their related test work.

EFFECT

Current testing is designed in a reactive fashion, as opposed to a preventative measure. As a result, internal control deficiencies may not be discovered timely or until such time that the deficiency rises to the level of a significant deficiency or material weakness.

RECOMMENDATION

We recommend that the internal audit department assess the risk and significance of each transaction cycle for the City, and design tests so that high risk transactions are tested on a regular basis in a preventative fashion.

MANAGEMENT RESPONSE

While management appreciates the recommendation that the Internal Audit Unit develop a process whereby risk is assessed by testing financial transactions on a regular basis, it is current management's intention for the Internal Audit Unit to proceed in an alternative manner. Under the City Manager's direction, the Internal Audit Unit will be working in partnership with department and division director's to identify problematic areas and provide recommendations for improvement.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-02 Consideration of Fraud Risk Factors

CONDITION

In obtaining an understanding of the procedures in place regarding accountability in the workplace, we noted the following:

- The City does not have a formal channel of communication established that provides employees a mechanism to anonymously report improper occurrences of improper ethical behavior.
- The City does not require or conduct periodic training on the code of conduct/ethics policy or require periodic certification of compliance with respect to such policy.

CRITERIA

Section 404 of the Sarbanes-Oxley Act of 2002 (SOX 404) raised the level of accountability for employees within publicly traded companies, but can increase the current accountability levels for non-public companies in a similar fashion. Statement of Accounting Standards (SAS) 99 further addresses these required fraud risk factors.

CAUSE

Policies and procedures have not been updated to include the components of a code of conduct / ethics policy.

EFFECT

There is a reduced likelihood that improprieties will be reported to management, and that such issues will be identified or corrected on a timely basis.

RECOMMENDATION

We recommend the following:

- The City conduct periodic training on ethics and code of conduct to all employees, and require periodic, preferably annual, certifications to ensure that compliance is maintained with such policies.
- The City provide a formal mechanism by which employees can anonymously report acts of improper or unethical behavior to an appropriate individual without fear of retaliation.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-02 Consideration of Fraud Risk Factors (Continued)

MANAGEMENT RESPONSE

The City of Santa Fe created and implemented City Fraud Prevention Policy effective November 1, 2007. The policy was distributed to all employees.

The City informs all new employees of the Code of ethics policy during new employee's orientation. The City will work on a plan to ensure periodic certification of compliance of this policy.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-03 Lack of Review Over Charge Fees – Planning and Permit Department

CONDITION

We noted the following control deficiencies over the determination and collection of building and permit fees within the Planning and Land Use Department (the Department):

- Significant control weaknesses within the system, including weaknesses within system access and configuration controls:
 - many users appear to have system access beyond what they need to perform their day to day duties within the Department
 - certain users can approve, delete, or modify transactions that are beyond their duties and responsibilities
 - there is little use of built-in system edit checks such as edit checks over required input fields
- Insufficient controls over the collection of building and permit fees:
 - end of day reconciliation between the City's cashier system and permitting system to ensure that all fees are collected is not performed
 - counter personnel can accept all fees using the "F5" key, which allows the issuance of permit regardless of the amount of fees collected
- Lack of current, written policies and procedures governing the day to day activities of the Department – Department is significantly reliant on knowledge of individuals with significant experience within the Department.
- The current method of valuing properties lacks appropriate controls and appears to be out of compliance with Santa Fe City Code:
 - the Department's primary method of valuing buildings is to rely, either entirely or in part, on the valuation amount indicated on the application by the applicant
 - existing processes and controls appear insufficient to provide an appropriate level of assurance that the valuations are accurate
 - there does not appear to be a generally accepted and/or appropriate method for valuing additions, alterations, or repairs
- Lack of formal training for employees within the Department on operating policies and procedures.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

**06-03 Lack of Review Over Charge Fees – Planning and Permit Department
(Continued)**

CRITERIA

A properly designed and implemented system of internal controls can ensure the reliability of financial reporting and compliance with laws and regulations. Internal controls should be designed such that instances of potentially significant errors in the financial statements or violations of laws or regulations are prevented and/or detected in a timely manner to allow correction.

CAUSE

There are various reasons for the current lack of controls over the determination and collection of building and permit fees. Based on our discussions with individuals within the Department, it appears that existing staffing levels are inadequate, and formal training of employees was not occurring on a regular basis. Also, the lack of written policies and procedures significantly contributes to the presence of internal control weaknesses.

EFFECT

Building and permit fees are not accurately assessed and/or assessed amounts are not collected.

RECOMMENDATION

We recommend that the City complete an in-depth system security and control review of the permitting system.

Among the more significant of our recommendations for improvement, Moss Adams provides the following:

- The permit system should be configured such that users are required to input the square footage, the system automatically calculates the valuation based on the appropriate ICC table, and the system automatically calculates the fees based on approved fee tables. If it is necessary to permit an override of any system calculation or input, the override should be restricted to a supervisor with appropriate segregation of duties, and should only be permitted if the override is documented and reported to management in the form of a system-generated report on a periodic basis. All overrides should be reported to management in the form of system reports, and should be timely reviewed and initialed by management. As part of this change, management should implement procedures and controls to ensure that the ICC valuation tables are uploaded accurately, completely, and timely on an annual basis.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

**06-03 Lack of Review Over Charge Fees – Planning and Permit Department
(Continued)**

- Users should be provided access to the system based on the lowest level of access that can be granted and still allow the user to complete their assigned duties. System access controls should provide for appropriate segregation of duties between the processing of transactions and the approval of those transactions.
- The Department should maintain a listing of authorized reviewers for each individual review station (e.g. Architectural, Electrical, Escarpment, Grading & Drainage, Historical, etc.). Approvals of review stations should be systematically limited to authorized reviewers and any overrides of a previous review should be separately documented from the initial review.
- The Department should develop a current listing of required review stations by application type, and the system should be configured such that when the application type is entered, the system will require the Department to route the application to the required review stations.
- The Department should implement end-of-day reconciliation controls between fees entered into the permit system and fees received by the City cashier to mitigate the risk that fees are not collected in full. As part of this control, the City should ensure that appropriate system access and configuration controls are implemented, such that the fees entered into the system cannot be changed once entered without appropriate supervisory approval. Ideally, although not required, the City would implement an automated interface between the cashier system and the permit system such that collections are entered directly by the cashier office, and such entry is appropriately restricted.
- The Planning and Land Use Department's website should be updated to include the most current building permit fee data from the SFCC.
- The City should review the building permit fees set forth in the SFCC every 2 years as required by SFCC.
- A supervisory review of an application should be conducted by a supervisor who had not approved any portion of the application.
- All employees of the Department should be required to participate in an annual formal training that incorporates a review of written policies and procedures within the Department. As part of this training, employees should be educated on the appropriate / required method for valuing additions, alterations, or repairs.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

**06-03 Lack of Review Over Charge Fees – Planning and Permit Department
(Continued)**

MANAGEMENT RESPONSE

The City's ITT Department assisted the Planning Department in configuring an access control system allowing appropriate access control to individual users on the lowest level. There are also systems controls for users based on their duties and responsibilities. Access to approve, delete, or modify transactions has been restricted to groups supervisor.

As part of the permit issuance policy, the Division Director must review and approve all permits to include the review of data input into the system before issuance of such permits. The Building Permit Operations Manager is the only other authorized person to give final approval of permits in the absence of the Division Director. A configuration of automatic routing of permits by application type when entered in the system has been completed by the Division Director.

The Building Permit Division has implemented a work study session that meets once a week to discuss current projects, cross-train and gain knowledge related to issues within other division and/or review stations. Procedures for valuing additions, alterations and repairs are discussed in these meetings.

The City has committed to hiring a contractor to work exclusively with the Department to upgrade technology and provide training to staff to improve the business process of the Department.

The Building Permit Division Director is responsible for reviewing all permits for completion to include proper construction valuation of all permits before issuance.

The City's new web-site will post the current fees schedule.

The Department will present a review of the building permit fee schedule to the appropriate City committees for approval.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-04 IT Policies and Procedures

CONDITION

During our review of the policies and procedures in place in regards to the information technology (IT) system development and maintenance, we noted the following conditions:

1. It was reported that the City uses dial-up accounts to access the Internet on some systems. Additionally, the City maintains continual and dial-up external connections that have not been reviewed by an independent security expert within the past year.
2. Backup tapes are not stored in a secure off-site location.

CRITERIA

Due to the importance of electronic applications and related equipment, strong internal controls are present when policies and procedures are updated to address the current state of these assets.

CAUSE

1. Dial-up connections have not been replaced with digital access, where possible. Further, the City has not engaged an independent security expert to conduct tests of these connections on a regular basis.
2. Backup tapes are stored at City Hall.

EFFECT

1. Dial-up connections circumvent the security controls of the network and serve as a potential entry-point for hackers. Further, unmonitored and unsecured modems can be subjected to war-dialing attacks that hackers use to locate responsive modems on workstations that can serve as beachheads for further attacks to the network.
2. There could exist loss of data if an event such as a fire was to occur as the tapes are not stored at a secure off-site location.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-04 IT Policies and Procedures (Continued)

RECOMMENDATION

We recommend the following for each of the above identified conditions:

1. The City regulate the use of dial-up accounts and modems in general to minimize the probability of intrusion attempts and attacks against the network. Additionally, we recommend that a security assessment be conducted annually, and penetration testing be added to quarterly maintenance routines.
2. Backup tapes are stored in a theft proof and fireproof location such as a safety deposit box or magnetic storage facility.

MANAGEMENT RESPONSE

The City's dial-up accounts are controlled with log-on/password authentication. Additionally, ITT administrators control access to the dial-up server in Microsoft Active Directory. Microsoft Dial-Up Security and Microsoft Virtual Private Network (VPN) Security are utilized. Most dial-up users utilize the VPN connection because it allow them to take advantage of faster internet connections; which also provides an encrypted tunnel for access to the City's network.

ITT has been in negotiations with Santa Fe County and the Regional Emergency Communication Center (RECC) toward an agreement to provide real-time back-up for all iSeries (AS400) data. Each of the agencies' iSeries will be configured to provide sufficient space and real time access to one another's application and data. This will eliminate the need for offsite tape back-ups.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-05 Due Date of Audit Report

CONDITION

The June 30, 2007 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, which would be December 1, 2007 for the year under audit, and the report was not submitted until April 14, 2008.

EFFECT

The City is not in compliance with State Auditor Rule NMAC 2.2.2.9.A for the fiscal year ended June 30, 2007. Based on this, the users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, oversight agencies, etc., do not have timely audit reports and financial statements for their review. Late audit reports could have an effect on state and federal funding.

CAUSE

The cause was a combination of staff turnover and several accounts in the City's financial records that required additional time to reconcile and additional time to make correcting journal entries.

RECOMMENDATION

We recommend that 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 will work with the auditors on giving the information needed to assist in completing the audit on a timely basis.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

06-06 Budget Overages

CONDITION

During our testwork over budgetary compliance for the year ended June 30, 2007, we noted the following budget overages for the City:

	Budgetary Level	Overage	Budget
Special Revenue Fund			
Tierra Contenta	Fund	\$ 76,503	445,012
Internal Service Fund			
Union Sick Leave Bank	Fund	\$ 2,355	19,000

CRITERIA

New Mexico State Statute 6-6-6 NMSA 1978 requires that local government spending does not exceed budgeted amounts, unless approved budget adjustments are made.

EFFECT

The City is not in compliance with state statutes.

CAUSE

Year-end adjustments of budgeted and actual expenditures were not completed.

RECOMMENDATION

Management should update policies and procedures that specifically include reviews that compare actual to budgeted expenditures.

MANAGEMENT RESPONSE

These budget overages resulted in third party transactions that were completed after the budget adjustment deadline for June 30, 2007. For Tierra Contenta, it was an acceptance and completion of a project. For the Union Sick Leave Bank, it was granting sick leave hours by the union when we posted the accrual. We will work with the third party to ensure deadlines are met for budget purpose.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

07-01 Approval of Bank Reconciliations

CONDITION

We noted there was no documentation of a supervisor review on completed reconciliations for the month of June 2007 for the 2 of the 13 checking accounts tested, 2 of the 8 investment accounts tested and 3 of the 12 trust accounts tested.

Reconciliations were prepared by finance personnel; however, there was no evidence of management approval.

There was one instance in which an account was closed during fiscal year 2007, and management could not provide a final reconciliation or bank statement.

CRITERIA

Part of the system of internal controls includes proper oversight by management. This oversight should include approvals of bank reconciliations by a member of management who is not involved in the reconciliation process, and these should be maintained by management along with related supporting documentations for an adequate time after accounts are closed.

CAUSE

Management was not reviewing and approving all of the account reconciliations.

EFFECT

There exists the increased likelihood for potential misstatements arising from errors or fraud to exist and not be caught by management if review of reconciliations are not performed and documented in a timely manner.

RECOMMENDATION

We recommend management review the reconciliations shortly after they are prepared and document their review on the reconciliation itself and then maintain these records for a reasonable period of time after the review has been completed.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT (CONTINUED)

07-01 Approval of Bank Reconciliations (Continued)

MANAGEMENT RESPONSE

As part of HUD requirements, three bank accounts were opened to account for the loan and grant proceeds. The bank reconciliation for the operating account was signed off by management when reviewed. The second bank account was closed as of August 2006 when the loan and grant proceeds were disbursed this account was monitored thru June 2007 using bank reconciliation with a zero balance. The third bank account had a balance of \$6.41 for the year. Management will sign when review of the bank reconciliation is done.

Procedures have already been amended and the oversight corrected regarding the investment and trust reconciliations.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS

07-02 Reporting

**U.S. Dept. of Housing and Urban Development
CFDA # 14.218 Community Development Block Grant
Grant period July 1, 2006-June 30, 2007**

CONDITION

There were discrepancies in amounts on the reports submitted on the Integrated Disbursement and Information System (IDIS) system were incorrectly reported.

The SF-272 reports were not submitted for fiscal year 2007 in the allotted time frame.

CRITERIA

Per 24 CFR 85.20 (b) The financial management systems of other grantees and subgrantees must meet the following standards: (1) *Financial reporting*. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

Per 24 CFR 85.41, "When reports are required on a quarterly or semiannual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support. (c) *Federal Cash Transactions Report— (1) Form*. (i) For grants paid by letter or credit, Treasury check advances or electronic transfer of funds, the grantee will submit the Standard Form 272, Federal Cash Transactions Report, and when necessary, its continuation sheet, Standard Form 272a, unless the terms of the award exempt the grantee from this requirement."

CAUSE

The City had turnover in personnel and did not have adequate staffing and process to ensure all reports were filed timely and accurately.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-02 Reporting (Continued)

EFFECT

The City was out of compliance with the grant agreement and there exists the potential for granting agencies to question information provided and take actions as they deemed necessary.

QUESTIONED COSTS

None

RECOMMENDATION

We recommend management of the City ensure that reports are accurately prepared and filed within the time frame allotted by the grant.

MANAGEMENT RESPONSE

The amounts reported in the Schedule of Expenditures of Federal Awards in Single Audit Section are correct. The amounts reported include current and prior year funding. Since the IDIS reports are period sensitive the data for the prior years funding require separate forms in order for the adjustments to be recorded in the IDIS system.

The City's staff was unaware of the separate forms needed to record prior years funding in the IDIS system. The SF-272 reports for fiscal years 2006 and 2007 are now up to date and in compliance.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-03 Reporting

**U.S. Dept. of Transportation
CFDA# 20.500, 20.507, Federal Transit Cluster
Grant period: July 1, 2006 – June 30, 2007**

CONDITION

During our testing of Transit Reporting, we noted that the financial reports were not submitted timely for two quarters out of four tested during the fiscal year.

CRITERIA

According to “Grant Management Guidelines” published by the Federal Transit Administration (http://www.fta.dot.gov/laws/circulars/leg_reg_4114.html) Chapter I Part 5 “Financial STATUS Reports. FTA grant recipients are to submit financial information through the electronic award and management system. This report should be provided concurrently with the milestone/progress reports. Report Due Dates. Urbanized area formula and capital program financial status reports (FSR) and milestone/progress reports are due to FTA within 30 days after the end of each calendar quarter, i.e., by January 30, April 30, July 30, and October 30. All state recipients of planning assistance are required to submit their reports annually. In individual cases, FTA may grant extensions of report due dates. Payments may be withheld when reports are not submitted as agreed.

CAUSE

Due to shortage of staffing, the City did not file all reports within the required timeframe.

EFFECT

The City may jeopardize further funding if they do not follow federal grant requirements.

QUESTIONED COSTS

None

RECOMMENDATION

We recommend management of the City establish a timeline or calendar showing when all reports are due and ensure they train staff to meet these deadlines.

**CITY OF SANTA FE
SCHEDULE OF FINDINGS AND
QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-03 Reporting (Continued)

MANAGEMENT RESPONSE

During the first two quarters of the fiscal year 06/07 the contracts administrator positions as well as the Financial Analyst position responsible for Transit Grants were vacant. Management is currently cross-training staff at the Transit Division as well as Accounting Department to ensure that the financial status reports are filed timely.

CITY OF SANTA FE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2007

<u>Comment</u>		<u>Current Status</u>
<u>City of Santa Fe</u>		
06-01	Internal Audit Plan	Updated and Included
06-02	Consideration of Fraud Factors	Updated and Included
06-03	Lack of Review over Charge Fees-Planning and Permit Department	Updated and Included
06-04	IT Policies and Procedures	Updated and Included
06-05	Due Date of Audit Report	Updated and Included
06-06	Budget Overages	Updated and Included

**CITY OF SANTA FE
EXIT CONFERENCE
Year Ended June 30, 2007**

CITY OF SANTA FE

An exit conference was held on April 4, 2008. In attendance were:

For the City of Santa Fe:

Galen Buller	City Manager
Kathryn Raveling	Finance Director
Teresita Garcia	Assistant Finance Director

For Moss Adams LLP (Auditors):

Jim Thompson	Partner
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CITY OF SANTA FE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED
June 30, 2007

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, 2006 Restated	Cash Receipts Recognized	Disbursements/ Expenditures	Cash/Accrued or (Deferred) Revenue at June 30, 2007
Component Unit							
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Community Development Block Grant (Passed through from City of Santa Fe)	14.218		\$ -	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -
Public Housing Subsidy	14.850		767,267	-	894,413	894,413	-
Housing Choice Vouchers Mainstream	14.871		-	-	4,169	119,034	114,865
Resident Opp. & Support Serv	14.870		38,885	13,542	65,000	68,513	17,055
Section 8 Housing	14.871		11,622,934	-	3,862,941	3,862,941	-
Comprehensive Grant Program	14.872		2,042,999	75,431	699,690	749,114	124,855
			<u>14,472,085</u>	<u>88,973</u>	<u>5,556,213</u>	<u>5,724,015</u>	<u>256,775</u>
Department of Housing and Urban Development			<u>\$ 14,472,085</u>	<u>\$ 88,973</u>	<u>\$ 5,556,213</u>	<u>\$ 5,724,015</u>	<u>\$ 256,775</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - Component Unit			<u>\$ 14,472,085</u>	<u>\$ 88,973</u>	<u>\$ 5,556,213</u>	<u>\$ 5,724,015</u>	<u>\$ 256,775</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - Primary and Component Unit			<u>\$ 37,592,160</u>	<u>\$ 2,728,594</u>	<u>\$ 5,556,213</u>	<u>\$ 5,724,015</u>	<u>\$ 2,896,396</u>

**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***

Board of Directors, Santa Fe Civic Housing Authority and
City Council, City of Santa Fe, New Mexico and
Hector Balderas, State Auditor

We have audited the accompanying financial statements of the business-type activities, each major fund, and the respective budgetary comparison of each business-type fund of the Santa Fe Civic Housing Authority (the Authority) as of and for the year ended June 30, 2007, and have issued our report thereon dated February 18, 2008. We conducted our audit in accordance with auditing standards applicable to audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential

Board of Directors, Santa Fe Civic Housing Authority and
City Council, City of Santa Fe, New Mexico and
Hector Balderas, State Auditor

will not be prevented or detected by the Authority's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 07-02 and 07-03 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Authority's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement, 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 test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported under Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as items 05-01, 06-03, and 07-01.

The Authority's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's responses and, accordingly, we express no opinion on them.

Board of Directors, Santa Fe Civic Housing Authority and
City Council, City of Santa Fe, New Mexico and
Hector Balderas, State Auditor

This report is intended solely for the information and use of the Authority's management, the Authority's Board of Directors, the City Council of the City of Santa Fe, New Mexico, the Office of the State Auditor, the New Mexico State Legislature, the New Mexico Department of Finance and Administration, and applicable federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
February 18, 2008

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**Report on Compliance With Requirements
Applicable to Each Major Program and on Internal Control
Over Compliance in Accordance With OMB Circular A-133.**

Board of Directors, Santa Fe Civic Housing Authority and
City Council, City of Santa Fe, New Mexico and
Hector Balderas, State Auditor

Compliance

We have audited the compliance of Santa Fe Civic Housing Authority (Authority), 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, 2007. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Authority 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, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 07-04 through 07-10.

Board of Directors, Santa Fe Civic Housing Authority and
City Council, City of Santa Fe, New Mexico and
Hector Balderas, State Auditor

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-06, 07-10 and 07-11 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Board of Directors, Santa Fe Civic Housing Authority and
City Council, City of Santa Fe, New Mexico and
Hector Balderas, State Auditor

The Authority's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's response and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Authority's management, the Authority's Board, the City Council of the City of Santa Fe, New Mexico, the State Auditor, the New Mexico State Legislature, the New Mexico Department of Finance and Administration, and applicable federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Moss Adams LLP

Albuquerque, New Mexico
February 18, 2008

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2007**

Housing Authority findings from June 30, 2006:

Current Status

05-01	Cash deposits and related liabilities	Repeated and Modified
06-01	Eligibility (Public Housing Subsidy, CFDA# 14.850)	Cleared
06-02	Personnel Files	Cleared
06-03	Payment Authorization	Repeated and Modified

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes x No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? x Yes _____ None Reported

Non-compliance material to financial statements noted? _____ Yes x No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes x No
- Significant deficiency(ies) identified that are not considered to be material weakness(es) x Yes _____ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? x Yes _____ No

Identification of Major Program

CFDA Number	Name of Federal Program or Cluster
14.871	Section 8 Housing Choice Vouchers
14.850	Public Housing Subsidy
14.872	Public Housing Capital Fund

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

Auditee qualified as low-risk auditee? x Yes _____ No

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

B. FINANCIAL STATEMENT FINDINGS

05-01 Cash Deposits and Related Liabilities (Repeated and Modified)

CONDITION

As part of testing deposit liabilities, we noted that since the reconciliations of cash deposits (security and FSS) on hand were not being completed timely, at times during the year, the related bank accounts were under funded at month end. 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, at times during the year, actual cash was 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

Cash transfers will be monitored more closely so that balances will exceed liabilities by the 15th working day of the following month.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

B. FINANCIAL STATEMENT FINDINGS (CONTINUED)

06-03 Payment Authorization (Repeated and Modified)

CONDITION

Out of 42 disbursements tested, we noted 2 instances where there was not apparent authorization for payment. In addition, we noted one instance where there was no supporting documentation for disbursement.

CRITERIA

State policies and procedures require that all disbursements have authorization before the payment is made. The NM State Procurement Code 13-1-1 to 13-1-199 NMSA 1978 requires all purchase orders to be prepared and approved before goods or services are purchased.

CAUSE

The Housing Authority did not follow State purchasing procedures.

EFFECT

The Housing Authority raises its risk of loss when the controls mentioned above are not properly functioning.

RECOMMENDATION

The review procedures in place need to be strengthened for all disbursements.

MANAGEMENT RESPONSE

We will ensure that all future expenditures contain purchase orders and/or approval for payment.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

B. FINANCIAL STATEMENT FINDINGS (CONTINUED)

07-01 Cash Account Not Presented on the Trial Balance

CONDITION

In our testing of cash accounts we noted that a cash account owned by the Authority, with a bank balance of \$1,261 at June 30, 2007, was not included on their trial balance.

CRITERIA

Per the Public Monies Act 6-10-1 to 6-10-63 NMSA 1978 all monies coming into an agency (i.e., vending machines, fees for Xerox copies, telephone charges, etc.) shall be considered public monies and be accounted for as such.

CAUSE

The Housing Authority set up a separate bank account for an employee coke fund. Monies from vending machines make up the balances for this account and are used to fund employee morale functions.

EFFECT

The Housing Authority is not in compliance with the Public Monies Act in disclosing all respected bank accounts. The Housing Authority poses a risk of loss for not accounting for all bank accounts.

RECOMMENDATION

The Housing Authority should ensure that all reconciled bank accounts are properly reflected in their trial balance.

MANAGEMENT RESPONSE

We will include the employee coke fund in the Cielo Azul fund in the future.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

B. FINANCIAL STATEMENT FINDINGS (CONTINUED)

07-02 Due Date of Audit Report

CONDITION

The June 30, 2007 audit report was not filed with the State Auditor by the required due date of December 3, 2007.

CRITERIA

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

CAUSE

The Housing Authority's financial records required additional time to reconcile.

EFFECT

The Housing Authority is not in compliance with State Auditor Rule NMAC 2.2.2.9.A (h) for the fiscal year ended June 30, 2007.

RECOMMENDATION

We recommend that the Housing Authority evaluate whether there is adequate personnel to produce a timely reconciliation for all accounts and identify areas where additional training and procedures could be established.

MANAGEMENT RESPONSE

An action plan to achieve more timely reconciliations will be developed.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

B. FINANCIAL STATEMENT FINDINGS (CONTINUED)

07-03 Journal Entries

CONDITION

Per review of the client's Journal Entries, we noted one instance where there was no supporting documentation to justify the journal entry. We also noted that there is no proper written approval of journal entries by a designated management official.

CRITERIA

Good accounting practices for internal control purposes requires that all adjusting journal entries must be agreed upon by management and supporting documentation be provided.

CAUSE

Management has not set a policy for journal entry approval.

EFFECT

Management override of the accounting system may occur and not be detected by the agency.

RECOMMENDATION

We recommend the Authority develop policies for journal entry preparation and approval. The policy should include a separate preparer and approver.

MANAGEMENT RESPONSE

We will develop a policy for journal entry approval. The other finding is unknown.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS

07-04 Section 8 Housing - Eligibility

**U.S. Dept. of Housing and Urban Development
CFDA# 14.871, Section 8 Housing
Grant period: July 1, 2006 – June 30, 2007**

CONDITION

During our eligibility test work of the Section 8 program, it was noted that, out of 22 total participants tested the following was missing from tenant participation files:

- One instance where the third party documentation of income was not present in file
- Two instances where a copy of the tenant's social security card was not present in the file
- Four instances where lease agreements were not properly signed or dated by the tenant
- One instance where the application for participation in the Section 8 program was not properly signed or dated.

CRITERIA

24 CFR 982 outlines compliance requirements for Section 8 Tenant Based Assistance: Housing Choice Voucher Program, including income and documentation requirements.

CAUSE

The proper documentation was not retained by the Housing Authority staff.

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, misrepresenting their citizenship, and leasing a unit without following Section 8 terms and conditions.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-04 Section 8 Housing - Eligibility (Continued)

QUESTIONED COSTS

None.

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 strive to enforce policies and procedures that are in place are followed that specifically address remedies for document omissions when they are detected. We recommend a checklist be placed in each participant's file outlining all the required documentation. This checklist should be initialed by staff verifying the proper documents are in the file.

MANAGEMENT RESPONSE

A checklist will be implemented.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-05 Allowable Cost

**U.S. Dept. of Housing and Urban Development
CFDA# 14.871, Section 8 Housing
Grant period: July 1, 2006 – June 30, 2007**

CONDITION

During our documentation and test work of 22 cash disbursements for allowable costs, we noted the following instances of noncompliance with the governing procurement statutes/ordinances:

- One instance in which there was no supporting documentation or approval of the disbursement
- Four instances in which there was no written approval by an employee authorized to approve purchases.

CRITERIA

Per 24 CFR 982.158 Section 8 Tenant Based Assistance: Housing Choice Voucher Program, Program Accounts and Records, "Public Housing Authorities must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit".

CAUSE

The Housing Authority did not follow program procedures.

EFFECT

The Housing Authority raises its risk of loss when the controls mentioned above are not properly functioning.

QUESTIONED COSTS

Our sample reflected \$7,097 in known questioned costs that we could not determine the allowability of because of no supporting documentation. Likely questioned costs exceed \$10,000.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-05 Allowable Cost (continued)

RECOMMENDATION

All purchases should follow the Federal purchasing regulations as well as Housing Authority's policies and procedures.

MANAGEMENT RESPONSE

We will adequately document future expenditures.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-06 Reporting

**U.S. Dept. of Housing and Urban Development
CFDA# 14.871, Section 8 Housing
Grant period: July 1, 2006 – June 30, 2007**

CONDITION

During federal reporting test work it was noted that one out of three reports tested was not remitted to the U.S. Dept. of Housing and Urban Development in a timely manner. The Authority was not aware of this requirement, therefore it meets the definition of a significant deficiency because absence of awareness provides more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

CRITERIA

Per 24 CFR 135.90, the HUD-60002 – 'Section 3 Summary Report, Economic Opportunities for Low and Very Low Income Persons' is to be submitted by January 10 of each year or within 10 days of project completion, whichever is earlier.

CAUSE

The Housing Authority was not aware that this report was required for submission.

EFFECT

The Housing Authority is not in compliance with reporting standards of the Section 8 program.

QUESTIONED COSTS

None.

RECOMMENDATION

All federal reporting should be completed as required by the Department of Housing and Urban Development and in a timely manner.

MANAGEMENT'S RESPONSE

All reports have been filed. In the future we will strive to be more timely.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-07 Special Tests – Waiting List

**U.S. Dept. of Housing and Urban Development
CFDA# 14.850, Public Housing Subsidy
Grant period: July 1, 2006 – June 30, 2007**

CONDITION

During our test work related to special testing requirements regarding the Public Housing waiting list, we noted the following instances of noncompliance with Public Housing requirements.

- One instance in where an individual on the Public Housing waiting list did not have a completed program application, updated annually.
- One instance where an individual who had been on the Public Housing list waiting list for longer than one year did not reapply for the program and has remained on the waiting list.

CRITERIA

Any family that wishes to reside in public housing must apply for admission to the program per 24 CFR 960.202(a)(2)(iv). The Authority's waiting list policy states "The PHA has a self-purging waiting list. All applications have a one year expiration date. If the PHA does not receive a request in the expiration month form the applicant to remain on the waiting list, the applicant's name will be removed from the waiting list".

CAUSE

The Housing Authority did not ensure that the Public Housing waiting list was up to date and completed.

EFFECT

The Housing Authority is not in compliance with the waiting list standards of the Public Housing program.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-07 Special Tests – Waiting List (continued)

QUESTIONED COSTS

None.

RECOMMENDATION

The Housing Authority should ensure that quality control procedures in place are being followed to ensure that all applicants provide the requisite documentation before their applicants are placed or renewed on the waiting list. In addition, the Housing Authority should strive to ensure that policies and procedures that specifically address remedies for document omissions are being followed.

MANAGEMENT'S RESPONSE

Our purging process will be reviewed and invalid applications will be purged more timely.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-08 Special Tests – Tenant Participation Fund

**U.S. Dept. of Housing and Urban Development
CFDA# 14.850, Public Housing Subsidy
Grant period: July 1, 2006 – June 30, 2007**

CONDITION

During our test work related to the Tenant Participation Fund we noted the following instances of noncompliance with Public Housing requirements:

- There is no written agreement established between the Resident Council and the Housing Authority for the creation the tenant participation funds.
- There is no established budget for the Resident Council to support tenant participation expenditures.
- There are no adequate policies and procedures for controls for the tenant participation funds.

CRITERIA

Public Housing requirements require that funding provided for tenant participation must be allocated by the Housing Authority to duly elected Resident Councils. Funding may only be provided under a written agreement between the Housing Authority and the Resident Council that includes a resident council budget. Per 24 CFR section 964.150 the written agreement must require the local resident council to account to the Housing Authority for the use of the funds and permit the Housing Authority to inspect and audit the resident council's financial records related to the agreement.

CAUSE

The Housing Authority has not properly allocated tenant participation funds and accounted for its expenditure of them in accordance with Public Housing requirements.

EFFECT

The Housing Authority raises its risk of loss when there is no written agreement for funding and could be exposed to over expenditure of funds.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-08 Special Tests – Tenant Participation Fund (continued)

QUESTIONED COSTS

None.

RECOMMENDATION

The Housing Authority should implement a written agreement with the Resident Council that includes a budget. The written agreement should state that Resident Council must account to the Housing Authority for the use of tenant participation funds and permit the Housing Authority to inspect and audit the Resident Council's financial records related to the agreement. In addition the Housing Authority should develop policies and procedures that specifically address controls for the Tenant Participation Fund.

MANAGEMENT RESPONSE

The Resident Council was not elected until May of this fiscal year. Because of this all Resident Council expenditures were monitored and approved by the Executive Director and/or expended by the Authority. A written agreement with the Resident Council has been executed.

**STATE OF NEW MEXICO
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-09 Davis Bacon Act

**U.S. Dept. of Housing and Urban Development
CFDA# 14.872, Public Housing Capital Fund
Grant period: July 1, 2006 – June 30, 2007**

CONDITION

During our test work of compliance with the Davis Bacon Act, it was noted that out of six total disbursements tested, there were two instances where the weekly payroll was not certified by a contractor.

CRITERIA

Per 29 CFR sections 5.5 and 5.6, contractors or subcontracts are required to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls).

CAUSE

The Housing Authority failed to ensure that weekly payroll submitted by their subcontractor was certified by the contractor before payment was remitted.

EFFECT

The Housing Authority's controls over Davis Bacon compliance are not functioning as intended.

QUESTIONED COSTS

Known questioned costs are \$1,544, the total of payrolls that were not certified. Likely questioned costs are estimated to be less than \$10,000.

RECOMMENDATION

The Housing Authority should ensure that policies and procedures are being followed to ensure that all payroll submitted by the contractor or subcontractor are certified.

MANAGEMENT RESPONSE

We will ensure that all weekly payrolls are certified.

**STATE OF NEW MEXICO
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SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-10 Suspension and Debarment

**U.S. Dept. of Housing and Urban Development
CFDA# 14.872, Public Housing Capital Fund
Grant period: July 1, 2006 – June 30, 2007**

CONDITION

During our procurement test work, we noted that the Housing Authority does not verify that vendors are not listed on the General Services Administration (GSA) *Excluded Parties List System (EPLS)*. Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. This meets definition of a significant deficiency because absence of verification provides more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

CRITERIA

Requirements for suspension and debarment are contained in 2 CFR part 180.

CAUSE

The Housing Authority is not in compliance OMB Circular A-133 guidelines when properly certifying if contractors are not suspended or debarred and not an excluded party.

EFFECT

The Housing Authority raises the risk that they are contracting parties that are suspended or debarred or otherwise excluded by the General Service Administration.

QUESTIONED COSTS

None.

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CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-10 Suspension and Debarment (continued)

RECOMMENDATION

The Housing Authority should ensure that policies and procedures are being followed in regards to verify that contractors are not suspended or disbarred. In addition, the Housing Authority should ensure that the all checks are documented in the contractor's file.

MANAGEMENT RESPONSE

The Housing Authority will add certifications to contracts to verify that contractors are not suspended or disbarred. In addition, our review indicates no current evidence of any contract between the authority and an debarred or excluded party.

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CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-11 Allocation of Salary Costs

**U.S. Dept. of Housing and Urban Development
CFDA 14.871 Section 8 Housing Voucher Program
CFDA# 14.872 Public Housing Capital Fund
CFDA# 14.850 Public Housing Subsidy
Award period 7/1/06 – 6/30/07**

CONDITION

The Authority allocates payroll expense to their various federal grants based on job title and not on actual time spent on each program.

CRITERIA

Per OMB Cost Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, 2 CFR Part 225, Appendix B, paragraph 8(h)(3) states where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. In addition, paragraph 8(h)(4) states where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection 8 (h)(5), such as after-the-fact distribution of the actual activity, account for total activity in which the employee was compensated and must be prepared monthly and signed by the employee. Paragraph 8 (h)(5)(e) goes on to state that budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim account purposes if the estimates produce reasonable approximation of the activity actually performed, if quarterly comparisons are made of actual to budgeted costs and the budgeted estimates are revised quarterly, to reflect changed circumstances. Paragraph 8 (h)(6) goes on to state that substitute systems for allocating salaries and wages to Federal awards are acceptable, but are subject to approval by cognizant agency.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2007**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

07-11 Allocation of Salary Costs (continued)

CAUSE

The Authority doesn't allocate payroll expenses based on timesheets or have other documentation that supports the actual time worked for each program by each employee.

EFFECT

Expenses reported to federal grantors and reimbursed may not be allowable costs under federal guidelines.

QUESTIONED COSTS

Unknown. We could not determine the actual salary allocations for administrative employees.

RECOMMENDATION

We recommend the Authority prepare a cost allocation plan for payroll and obtain certifications annually from each of their employees that are directly charged to federal programs.

MANAGEMENT RESPONSE

The Authority has always provided to HUD an allocation spreadsheet documenting the allocation of payroll wages. In general all are directly assigned to the sites that they are providing services. The only exception to this are the staff that provide administrative or supervisory oversight to line employees these allocations have generally remained stable over the past 10 years. We will document the rationale for allocation of these employees for future audits.

**STATE OF NEW MEXICO
CITY OF SANTA FE
SANTA FE CIVIC HOUSING AUTHORITY
EXIT CONFERENCE
June 30, 2007**

An exit conference was held on February 20, 2008. In attendance were:

For the Housing Authority:

Jana Lujan
Ed Romero
Rudy Gallegos
Anna Chavez

Chairperson
Executive Director
Deputy Director
Administrative Supervisor

For Moss Adams LLP (Auditors):

Jim Thompson
James Hartogensis
Jessica Lucero

Partner
Senior Manager
Audit Senior

The financial statements and notes to the financial statements were prepared with the assistance of Moss Adams LLP.

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