



City of Santa Fe, New Mexico

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2012



City of Santa Fe, New Mexico

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

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

**Mayor
David Coss**

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

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City of Santa Fe

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Introductory Section

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City of Santa Fe, New Mexico

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

www.santafenm.gov

David Coss, *Mayor*

Councilors:

Rebecca Wurzbarger, Mayor Pro Tem, Dist. 2

Patti J. Bushee, Dist. 1

Chris Calvert, Dist. 1

Peter N. Ives, Dist. 2

Carmichael A. Dominguez, Dist. 3

Christopher M. Rivera, Dist. 3

Bill Dimas, Dist. 4

Ronald S. Trujillo, Dist. 4

February 19, 2013

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

State law requires the State Auditor to promulgate reasonable regulations necessary to carry out the duties of the office. These duties include regulations that require all municipalities in the State of New Mexico to submit a complete set of financial statements. These statements should be presented in conformity with generally accepted accounting principles (GAAP). They should also be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants for the previous fiscal year ending June 30. Pursuant to the requirement we hereby issue the Comprehensive Annual Financial Report of the City of Santa Fe for the fiscal year ending June 30, 2012.

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

The City of Santa Fe's financial statements have been audited by Atkinson & Co. Ltd., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Santa Fe for the fiscal year ended June 30, 2012 are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded; based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Santa Fe's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

PROFILE OF GOVERNMENT:

The City of Santa Fe was founded in 1609 and chartered as a town in 1891 under territorial law. It is located in the central northern part of the state and is the oldest capital in the United States. The current population is approximately 67,749 people. The City, in December 1997, by electoral vote, approved a Municipal Charter which became effective in March 1998. The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing body.

The City of Santa Fe has operated under the Mayor-Council-City Manager form of government since 1954. Policy-making and legislative authority are vested in the governing body consisting of the Mayor and eight City Councilors. The governing body serves as a principal policy maker of the City. The governing body is responsible for passing ordinances, management of City finances and property, adopting the budget and creation or abolition of departments. The Mayor appoints and may remove the City Manager, the City Attorney, the City Clerk and members of advisory commissions subject to the approval of the governing body. The City Manager is the Chief Administrative Officer of the City and is responsible for carrying out the policies and ordinances approved by the governing body. In addition to overseeing the day-to-day operations, the City Manager oversees the preparation of the annual budget and keeps the governing body informed of the financial condition and needs of the City. The governing body is elected on a non-partisan basis. City Council members serve four-year staggered terms with four City Councilors elected every two years; districts elect the eight council members. The mayor is elected at large in addition to serving a four-year term.

The City provides a full range of services: including police and fire protection, public works, highways and streets, wastewater operations, refuse collection and transport, water services, transit, parking facilities operations, convention center services, recreational activities, cultural events, community welfare and municipal airport.

The annual budget serves as the foundation for the City of Santa Fe's financial planning and control. All departments of the City are required to submit requests for appropriations to the City Manager in March of each year. The City Manager uses these requests as the starting point

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

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

FACTORS AFFECTING FINANCIAL CONDITION:

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

Local economy- The City of Santa Fe has a relatively stable economy. As the state capital it benefits from a stable, educated government work-force, which is estimated to be around 16,300 people. This is about 22% of the workforce across all levels of government. Many residents work at Los Alamos National Laboratory, one of the country's premier scientific research centers.

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

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

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

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

In fiscal year 2009, commuter rail connections linked Santa Fe to Albuquerque and other communities. In addition, a major airline began direct commercial air service to Santa Fe, and this year added another one. These changes have helped offset the reduction of economic activity resulting from the national downturn. The unemployment rate for the region (which includes the City of Santa Fe and the surrounding unincorporated areas with the same county) still remains lower than the state unemployment rate of 6.6% and the national rate of 8.08% for 2012. Toward the end of 2012, unemployment in Santa Fe hovered around 5.19%.

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

LONG-TERM FINANCIAL PLANNING:

During the last few years, the City completed the Santa Fe Community and Convention Center and the Railyard projects. Furthermore, the City has completed construction on a Rio Grande River Diversion project, the Buckman Diversion Dam, in partnership with Santa Fe County and a private development, Las Campanas, and are moving to full operation of the system. The City Council adopted a ten-year financial plan for the Water Diversion that includes annual rate increase of 8.2% for five years beginning in 2009. In the fall of 2011 Fitch Credit Rating Agency reaffirmed the City's Water bond rating at "AAA." By FY 2012 this rating had not changed and was maintained. This is a testament to sound financial management in the current economic climate.

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

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

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

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

CASH MANAGEMENT POLICIES AND PRACTICES:

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, securities issued by the United States Government or its agencies or instrumentalities, money market savings accounts and the New Mexico State Treasurer Local Government Investment Pool (LGIP). The length of investment maturities range from 6 months to 5 years with an average call/maturity of 188 days. The average yield on investments was .81%.

PROCUREMENT POLICIES AND PRACTICES:

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

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

Pension and other post employment benefits- The City of Santa Fe participates in the State of New Mexico Public Employees Retirement Plan. Substantially all of the City's full-time employees participate in the retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan. The City fully funds the required payments as determined by PERA through City and member contributions. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

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

Additional information of the City's pension arrangements and postemployment benefits can be found in Notes V.E. and F. pages 72-73.

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

ACKNOWLEDGEMENTS:

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

Respectfully submitted,

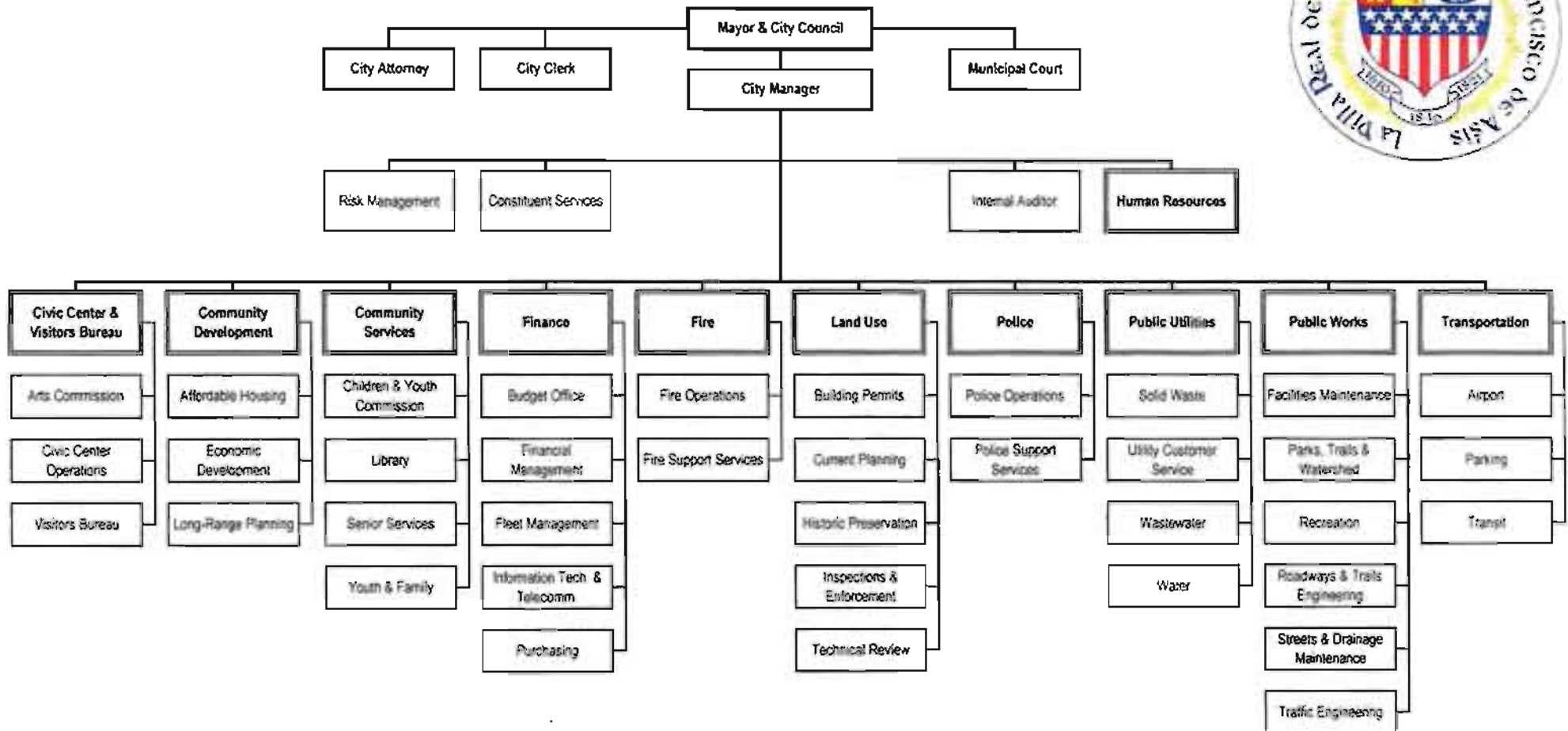


Robert P. Romero,
City Manager



Dr. Melville L. Morgan,
Finance Director

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



CITY OF SANTA FE, NEW MEXICO

PRINCIPAL OFFICIALS

JUNE 30, 2012

MAYOR

David Coss

CITY COUNCIL

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

CITY MANAGER

Robert P. Romero

FINANCE DEPARTMENT

Dr. Melville L. Morgan
Finance Department Director

Teresita Garcia
Assistant Finance Director

Helene Hausman
Cash/Investment Officer

Erica J. Martinez
Senior Financial Analyst

Cal Probasco
Budget Officer

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

FINANCE DEPARTMENT

Dr. Melville L. Morgan, Finance Department Director

Teresita Garcia, Assistant Finance Director

Helene Hausman, Cash/Investment Officer

Erica Martinez, Senior Financial Analyst

Amy Martinez-Duran, Accounting Supervisor

Melissa D. Ortiz, Accounting Supervisor

Clarence Romero, Accounting Supervisor

Halona J. Crowe, Accounting Supervisor

Shirley Coca-Barela, Financial Analyst

Tony S. Martinez, Financial Analyst

Michelle Montoya, Financial Analyst

Stephen Morales, Financial Analyst

Jennifer Peabody, Financial Analyst

WEB PUBLICATION

Vincent S. Montoya, Business Analyst

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Brian Ferns, Graphic Artist

COVER PHOTO

Chuck Bear

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Financial Section

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CERTIFIED PUBLIC ACCOUNTANTS - CONSULTANTS

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4501 AMERICAN PKWY NE
SUITE 200
ALBUQUERQUE, NM 87110

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1 505 843 6817

ATKINSONCPA.COM

PO BOX 29246
ALBUQUERQUE, NM 87179

INDEPENDENT AUDITOR'S REPORT

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

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Santa Fe's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

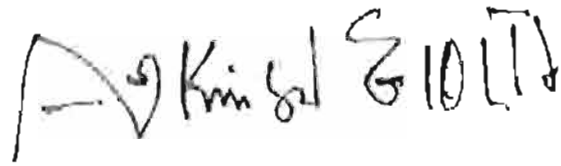
and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to previously present fairly,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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2013 on our consideration of the City of Santa Fe's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as "other supplementary schedules" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

A handwritten signature in dark ink, appearing to read "Atkinson & Co., Ltd.", with a stylized flourish at the end.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
February 19, 2013

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Management's Discussion and Analysis (UNAUDITED)

As management of the City of Santa Fe ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through vi of this report.

Financial Highlights

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

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

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Santa Fe Convention Center, Parking Operations, College of Santa Fe, Solid Waste Management, Water Management, Transit Operations, Wastewater Management, Municipal Recreation Complex, Genoveva Chavez Community Center, Railyard Property and Airport. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Employee Health Care and Dental program, Risk Management Administration, Workers' Compensation and Union Sick Leave Bank. As the service of

these funds listed predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 through 75 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$618,572,124 at the close of the most recent fiscal year.

A portion of the City's net assets (71 %) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF SANTA FE's

NET ASSETS

For Fiscal Years Ending June 30, 2012 and 2011

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|----------------|-----------------------------|----------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Current and other assets | \$ 108,629,641 | \$ 106,310,868 | \$ 141,485,973 | \$ 143,742,028 | \$ 250,115,614 | \$ 250,052,896 |
| Capital assets | 314,890,006 | 310,789,990 | 472,408,354 | 468,124,424 | 787,298,360 | 778,894,414 |
| Total assets | 423,519,647 | 417,080,878 | 613,894,327 | 611,866,452 | 1,037,413,974 | 1,028,947,330 |
| Long-term liability | 142,426,970 | 130,062,087 | 253,047,979 | 253,132,579 | 395,474,949 | 383,194,666 |
| Other liabilities | 16,872,943 | 20,062,851 | 6,493,958 | 17,421,206 | 23,366,901 | 37,484,057 |
| Total liabilities | 159,299,913 | 150,124,938 | 259,541,937 | 270,553,785 | 418,841,850 | 420,878,723 |
| Net assets | | | | | | |
| Invested in capital assets, net of related debt | 186,752,403 | 191,538,896 | 231,134,448 | 208,210,696 | 417,886,851 | 399,749,392 |
| Restricted | 52,596,695 | 46,978,782 | 8,483,099 | 5,960,961 | 59,079,794 | 52,939,763 |
| Unrestricted | 24,870,636 | 28,438,462 | 116,734,843 | 127,140,990 | 141,605,479 | 155,579,452 |
| Total net assets | \$ 264,219,734 | \$ 266,955,940 | \$ 354,352,390 | \$ 341,312,667 | \$ 618,572,124 | \$ 608,268,607 |

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

At the end of the current fiscal year, the City has maintained positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities, however, it should be noted that net assets in the City's Municipal Recreation Complex (MRC) Fund show negative net asset balances of \$5,342,471.

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

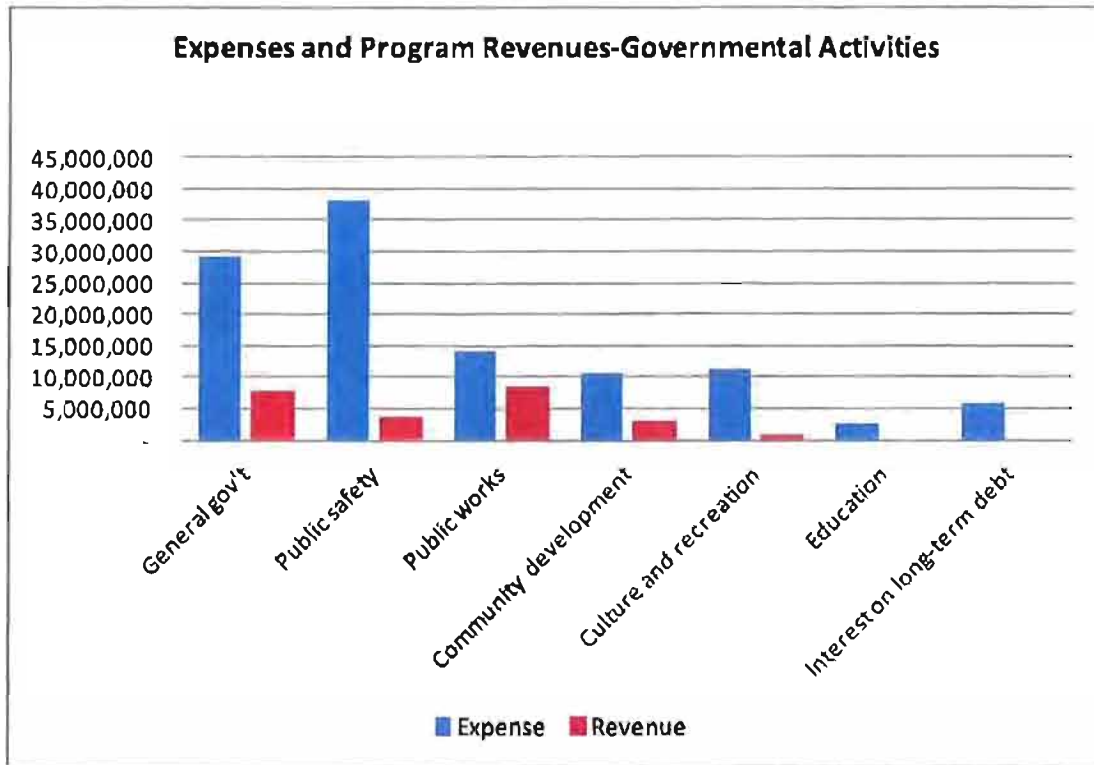
The City's net assets increased by \$10,303,517, during the current fiscal year. This growth largely reflects increases in capital assets in business-type activities related construction projects.

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

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

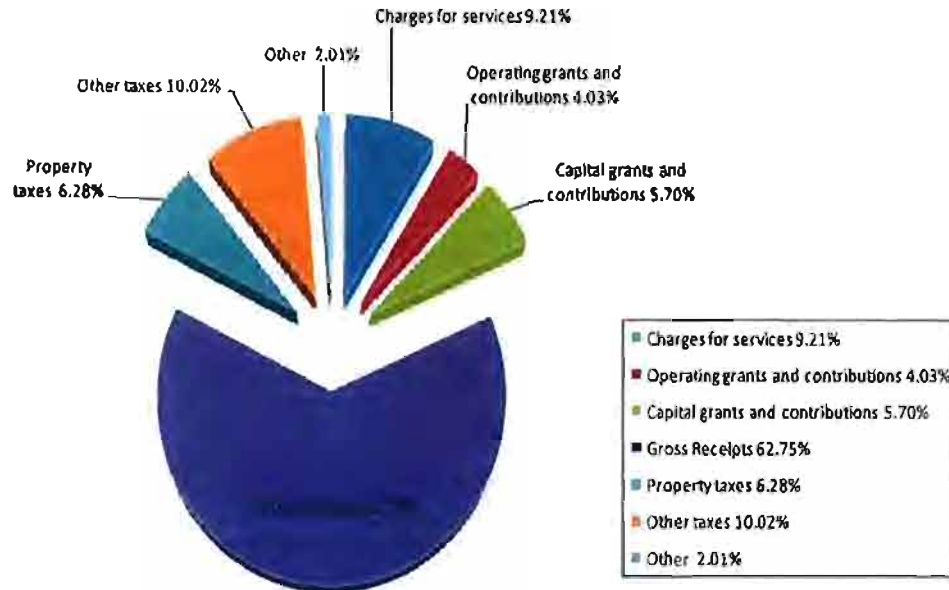
| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 11,096,129 | \$ 11,388,805 | \$ 74,220,467 | \$ 71,475,547 | \$ 85,316,616 | \$ 82,862,352 |
| Operating grants and contributions | 4,375,224 | 4,979,757 | 1,334,570 | 1,021,037 | 5,709,794 | 6,000,794 |
| Capital grants and contributions | 7,707,437 | 7,041,732 | 4,400,904 | 7,262,014 | 12,108,341 | 14,303,746 |
| General revenues: | | | | | | |
| Sales taxes | 80,000,069 | 77,533,815 | 10,955,392 | 10,615,795 | 90,955,481 | 88,149,610 |
| Other taxes | 20,506,434 | 20,141,698 | - | - | 20,506,434 | 20,141,698 |
| Donated Land and Building | - | - | - | - | - | - |
| Other | 1,765,708 | 2,485,431 | 824,103 | 5,092,937 | 2,589,811 | 7,578,368 |
| Total revenues | 125,451,001 | 123,589,238 | 91,735,456 | 95,467,330 | 217,186,457 | 219,036,568 |
| Expenses: | | | | | | |
| General Government | 29,053,851 | 26,391,068 | - | - | 29,053,851 | 26,391,068 |
| Public Safety | 38,164,145 | 36,015,879 | - | - | 38,164,145 | 36,015,879 |
| Public Works | 13,962,704 | 16,653,193 | - | - | 13,962,704 | 16,653,193 |
| Community Development | 10,836,985 | 12,191,892 | - | - | 10,836,985 | 12,191,892 |
| Culture and Recreation | 11,365,828 | 12,218,375 | - | - | 11,365,828 | 12,218,375 |
| Education | 2,673,364 | 2,846,887 | - | - | 2,673,364 | 2,846,887 |
| Interest on long-term debt | 5,847,128 | 4,952,563 | - | - | 5,847,128 | 4,952,563 |
| Wastewater Management | - | - | 14,878,983 | 14,705,132 | 14,878,983 | 14,705,132 |
| Water Management | - | - | 37,026,382 | 28,452,091 | 37,026,382 | 28,452,091 |
| Solid Waste Management | - | - | 11,189,579 | 10,992,656 | 11,189,579 | 10,992,656 |
| College of Santa Fe | - | - | 4,993,793 | 1,948,703 | 4,993,793 | - |
| Railroad Center | - | - | 3,055,480 | (1,748,903) | 3,055,480 | 1,748,903 |
| Santa Fe Convention Center | - | - | 1,062,183 | 2,950,521 | 1,062,183 | 2,950,521 |
| All other proprietary funds | - | - | 22,942,425 | 22,193,926 | 22,942,425 | 22,193,926 |
| Total expenses | 111,724,105 | 113,259,857 | 95,158,835 | 82,989,932 | 206,882,940 | 196,259,789 |
| Increase in net assets before transfers | 13,726,896 | 10,299,381 | (3,423,379) | 12,477,398 | 10,303,517 | 22,776,779 |
| Transfers net | (16,453,102) | (11,714,455) | 16,463,102 | 11,714,456 | - | - |
| Increase (decrease) in net assets | (2,726,206) | (1,415,075) | 13,039,723 | 24,191,854 | 10,303,517 | 22,776,779 |
| Beginning balance | 266,955,940 | 268,371,015 | 341,312,667 | 317,120,813 | 608,268,607 | 585,491,828 |
| Ending balance | \$ 264,219,734 | \$ 266,955,940 | \$ 354,352,390 | \$ 341,312,667 | \$ 618,572,124 | \$ 608,268,607 |

CITY OF SANTA FE
Fiscal Year 11/12



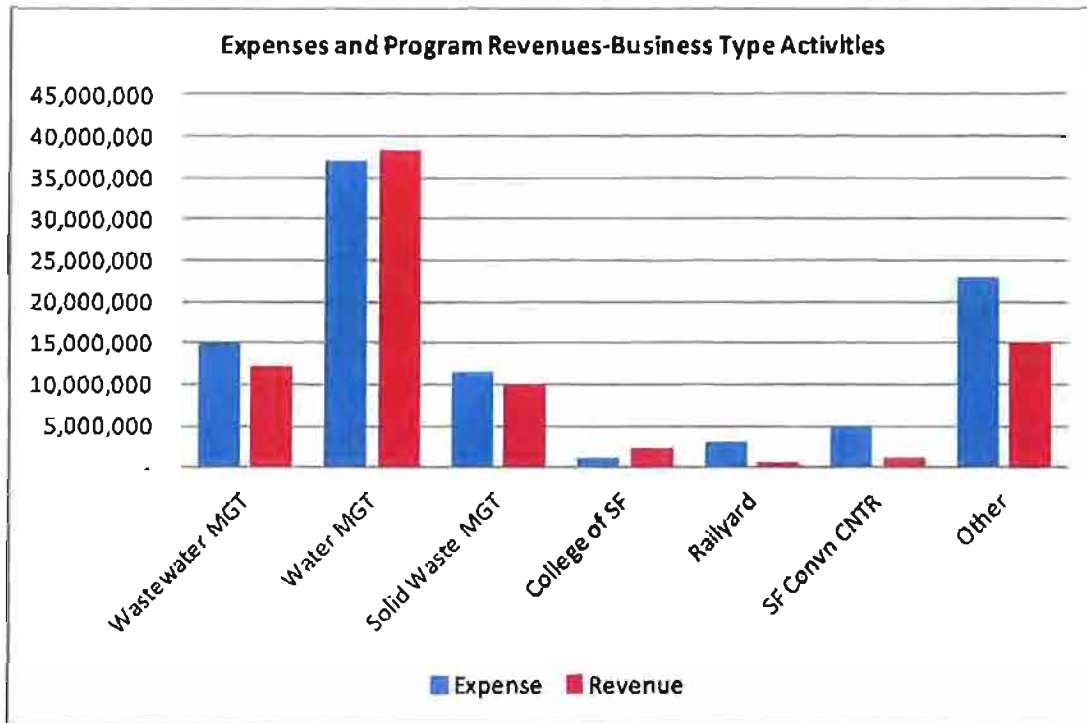
CITY OF SANTA FE
Fiscal Year 11/12

Revenue by Source - Governmental Activity



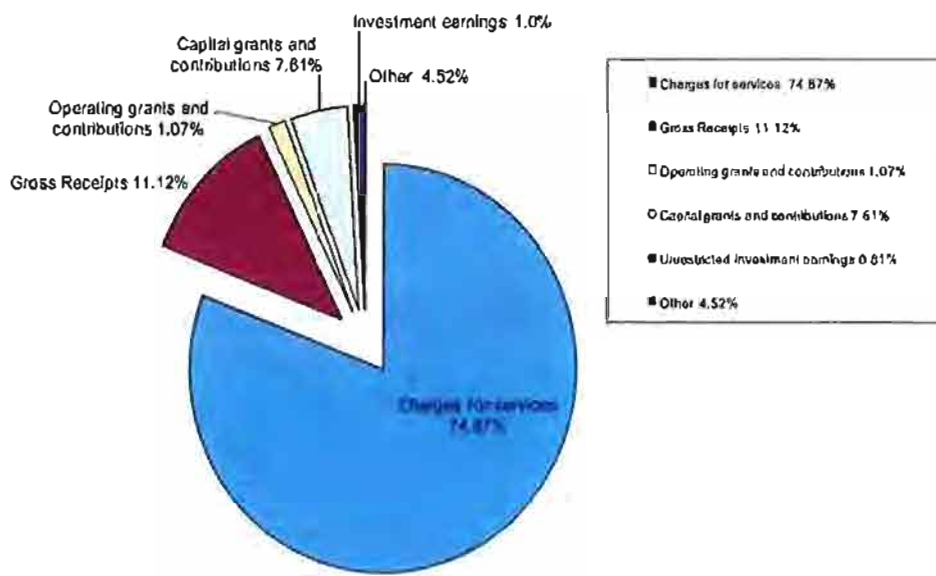
Business-type activities. Business-type activities increased net assets by \$13,039,723. The increase, net of transfers from Governmental activities, was (\$3,423,379). Transfers from Governmental activities total \$16,463,102. In 2012 the Water rate increase was the fourth of a 5 year financial plan to increase water rates. Solid Waste has not had a rate increase since 2003. Waste Water has not had a rate increase since 2010. In funds where revenues exceed operating expenses, rate revenues are set at a level that in combination with net assets support long term capital investment programs and maintenance of prudent reserves. Much of the accumulated cash in the Water, Wastewater, Convention Center and other business type activities are being used for large capital projects begin or are completed.

CITY OF SANTA FE
Fiscal Year 11/12



CITY OF SANTA FE Fiscal Year 11/12

Revenue by Source- Business-Type Activities



Financial Analysis of the City's Funds

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

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

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$84,208,632 an increase of \$10,285,788 in comparison with the prior year. Most of the ending fund balance total amount (\$73,745,505) constitutes *reserved and designated fund balance*. Uses of these funds are limited to various degrees by legal, contractual and policy restrictions.

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

The General Fund is the chief operating fund for the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$10,845,524 while total fund balance was \$17,760,413. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 10.76 % of total expenditures.

The fund balance of the City's General Fund increased by \$1,735,754 during the current fiscal year. A key factor in this increase was the increase in revenues from \$64,061,456 to \$66,540,676 because of an increase in gross receipts tax revenues.

The Debt Service fund has a total fund balance of \$5,512,100 all of which is reserved for projects and the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$10,897,222 due to the decrease in general obligation bond proceeds available for park improvements and capital projects from debt issued in the prior fiscal year.

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

Unrestricted net assets at the end of the year amounted to \$116,734,843 of which 69% is for water management. In total, net assets for enterprise funds increased by \$13,039,723.

General Fund Budgetary Highlights

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

- \$ 400,901 increase in general government
- \$ 137,077 increase in public safety
- \$ 30,811 decrease in public works
- \$ 88,888 increase in community development
- \$ 100,418 increase in culture & recreation
- \$ 3,182 decrease in education
- \$1,444,045 decrease in transfers in from other programs
- \$3,659,612 increase in transfers out to other programs

The increase in transfers in from other funds covered some of the budgeted increases; however cash balances funded the difference, which included carryover commitments from the prior fiscal year. With some cost control measures enacted during the fiscal year as it became apparent that revenues (particularly gross receipts tax revenues) would not be realized, actual expenditures were 1.6% below the final budget in the amount of \$3,701,346. The actual revenues for the General Fund were \$98,688 below budget.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2012 amounts to \$787,298,360 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, vehicles, infrastructure, and park facilities. The total increase in the City's investment in capital assets for the current fiscal year was 17% (a 2% increase for governmental activities and 15% increase for business-type activities).

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

- Construction in progress in various City facilities totaled \$80,634,708 in both governmental-type and business-type funds. This is a decrease from the previous fiscal year due primarily to increases in construction activity related to the Buckman Direct Diversion Project.
- General City projects in progress included street paving, signalization, river channel improvements, park improvements, building renovations, and street traffic calming projects for a total amount of \$17.1 million.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|------------------------------|----------------------------|----------------|-----------------------------|----------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Land and Water Rights | \$ 169,939,946 | \$ 169,939,946 | \$ 39,193,216 | \$ 39,178,924 | \$ 209,133,162 | \$ 209,116,870 |
| Construction in Progress | 25,876,710 | 16,747,696 | 54,757,998 | 177,679,207 | 80,634,708 | 194,426,903 |
| Art | 922,920 | 922,920 | 185,971 | 185,971 | 1,108,891 | 1,108,891 |
| Buildings and Systems | 44,025,298 | 45,458,208 | 287,159,211 | 152,545,558 | 311,184,509 | 198,003,766 |
| Improvements | 22,142,631 | 21,023,799 | 52,338,878 | 35,084,481 | 74,481,509 | 56,108,280 |
| Sewerlines | - | - | 43,859,832 | 47,510,641 | 43,859,832 | 47,510,641 |
| Equipment and Machinery | 2,070,957 | 2,337,665 | 4,808,395 | 5,809,162 | 6,879,352 | 8,146,827 |
| Furniture and Fixtures | 253,407 | 298,986 | 19,066 | 30,284 | 272,493 | 329,270 |
| Vehicles | 5,929,520 | 8,641,865 | 9,098,624 | 9,080,140 | 15,028,044 | 15,622,005 |
| Data Processing and Software | 2,711,932 | 3,383,381 | 987,443 | 1,022,056 | 3,699,375 | 4,405,437 |
| Traffic Signals | 1,583,253 | 2,201,948 | - | - | 1,583,253 | 2,201,948 |
| Streets and Bridges | 39,433,432 | 41,913,576 | - | - | 39,433,432 | 41,913,576 |
| Total | \$ 314,890,008 | \$ 310,769,990 | \$ 472,408,354 | \$ 468,124,424 | \$ 787,298,360 | \$ 778,894,414 |

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

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

For Fiscal Years Ending June 30, 2012 and 2011

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------|----------------------------|----------------|-----------------------------|----------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Revenue Bonds | \$ 82,630,000 | \$ 71,545,000 | \$ 197,125,000 | \$ 206,040,000 | \$ 279,755,000 | \$ 277,585,000 |
| General Obligation | \$ 27,710,000 | \$ 28,950,000 | \$ - | \$ - | \$ 27,710,000 | \$ 28,950,000 |
| Loans | \$ 17,797,603 | \$ 18,736,291 | \$ 46,515,123 | \$ 47,105,437 | \$ 64,903,040 | \$ 65,841,728 |
| TOTAL | \$ 128,137,603 | \$ 119,231,291 | \$ 343,640,123 | \$ 253,145,437 | \$ 372,368,040 | \$ 372,376,728 |

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

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

Source: First Southwest Company

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

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

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

Source: First Southwest Company

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total assessed valuation. The current debt limitation for the City is approximately \$144 million, which is significantly in excess of the City's total outstanding general obligation bond capital improvement project debt of \$27,710,000.

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

Economic Factors and Next Year's Budgets and Rates

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

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

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, P.O. Box 909, City of Santa Fe, NM 87504.

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Basic Financial Statements

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CITY OF SANTA FE, NEW MEXICO

Statement of Net Assets

June 30, 2012

| | Governmental Activities | Business-type Activities | Total |
|---|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Cash, investments and cash equivalents | \$ 63,944,982 | \$ 113,955,834 | \$ 177,900,816 |
| Receivables (net of allowance for uncollectables) | 4,751,836 | 9,784,551 | 14,536,387 |
| Internal balances | 11,863,454 | (11,863,454) | - |
| Inventories | 145,699 | 281,988 | 427,687 |
| Prepaid expenses | 60,000 | 12,498,580 | 12,558,580 |
| Deferred charges | 1,914,577 | 3,970,966 | 5,885,543 |
| Restricted assets: | | | |
| Temporarily restricted: | | | |
| Cash, investments and cash equivalents | 9,276,352 | 6,483,099 | 15,759,451 |
| Interest receivable | 105,629 | 179,063 | 284,692 |
| Intergovernmental receivable | 16,567,112 | 6,195,346 | 22,762,458 |
| Capital assets (net of accumulated depreciation): | | | |
| Land, land rights, and water rights | 169,939,946 | 39,193,216 | 209,133,162 |
| Buildings and structures | 57,906,587 | 307,927,671 | 355,834,258 |
| Improvements | 46,697,665 | 108,231,951 | 154,929,616 |
| Sewerlines and Utility Systems | - | 103,021,987 | 103,021,987 |
| Equipment and machinery | 16,554,479 | 20,491,866 | 37,046,345 |
| Furniture and fixtures | 857,975 | 684,536 | 1,542,511 |
| Vehicles | 21,045,582 | 25,166,842 | 46,212,424 |
| Intangible plant | - | 57,625 | 57,625 |
| Art | 922,920 | 185,971 | 1,108,891 |
| Data processing equipment/software | 11,746,528 | 3,273,551 | 15,020,077 |
| Traffic signals | 23,222,048 | - | 23,222,048 |
| Streets and bridges | 193,564,150 | - | 193,564,150 |
| Construction in progress | 25,876,710 | 54,757,998 | 80,634,708 |
| Accumulated depreciation | (253,444,582) | (190,584,860) | (444,029,442) |
| Total assets | <u>423,519,647</u> | <u>613,894,327</u> | <u>1,037,413,974</u> |
| LIABILITIES | | | |
| Accounts payable and other current liabilities | 13,349,987 | 3,328,889 | 16,678,876 |
| Accrued interest payable | 833,580 | 900,943 | 1,734,523 |
| Deferred revenue | | | |
| Unearned revenue | 2,689,376 | 316,000 | 3,004,376 |
| Liabilities from restricted cash | - | 1,949,126 | 1,949,126 |
| Longterm liabilities: | | | |
| Due within one year | 10,292,577 | 9,695,890 | 19,988,467 |
| Due in more than one year | 132,134,393 | 243,352,089 | 375,486,482 |
| Total liabilities | <u>159,299,913</u> | <u>259,541,937</u> | <u>418,841,850</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 186,752,403 | 231,134,448 | 417,886,851 |
| Restricted for: | | | |
| Debt service | 3,817,973 | 6,483,099 | 10,301,072 |
| State mandated cash balance | 5,458,379 | - | 5,458,379 |
| Special Revenue | 17,233,871 | - | 17,233,871 |
| Capital Project | 26,086,472 | - | 26,086,472 |
| Unrestricted | 24,870,636 | 116,734,843 | 141,605,479 |
| Total net assets | <u>\$ 264,219,734</u> | <u>\$ 354,352,390</u> | <u>\$ 618,572,124</u> |

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

CITY OF SANTA FE, NEW MEXICO
Statement of Activities
For the Year Ended June 30, 2012

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

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

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

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

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

| | |
|--|-----------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 314,877,886 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore are not reported in the funds. | 1,914,577 |
| Internal service funds are used by management to charge the costs of insurances to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets | 6,123,906 |
| Accrued interest payable | (833,580) |
| Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds. | (137,016,408) |
| Other long-term liabilities-compensated balances | (5,055,279) |
| Net assets of governmental activities | \$ 264,219,734 |

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

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

| | Major Funds | | | Other | Total |
|---|--------------------|-------------------|--------------------------|-------------------|--------------------|
| | General Fund | Debt Service | 1/2 % Gross Receipts Tax | Non Major Funds | Governmental Funds |
| Revenues: | | | | | |
| Taxes | | | | | |
| Gross receipts | \$ 52,229,275 | \$ - | \$ 14,814,838 | \$ 12,958,156 | \$ 80,000,069 |
| Cigarette | 60 | - | - | 31 | 91 |
| Motor | 353,124 | - | - | 1,419,199 | 1,772,323 |
| Lodgers | - | - | - | 7,881,259 | 7,881,259 |
| Property | 3,042,360 | 2,641,524 | - | 2,633,686 | 8,317,569 |
| Franchise | 2,516,009 | - | - | 19,183 | 2,535,192 |
| Licenses and permits | 2,341,436 | - | - | - | 2,341,436 |
| Intergovernmental revenues | 180,880 | - | - | 11,921,801 | 12,082,681 |
| Fees and charges for services | 6,251,218 | - | - | 3,503,474 | 8,754,693 |
| Fines and forfeitures | 370,072 | - | - | - | 370,072 |
| Rents, royalties and concessions | 58,808 | - | - | 149,084 | 205,890 |
| Investment income | 64,978 | 118,827 | - | 225,196 | 408,800 |
| Land sales | - | - | - | 90,939 | 90,939 |
| Other revenues | 154,377 | 27,525 | 349 | 406,974 | 589,225 |
| Total revenues | 66,540,676 | 2,787,676 | 14,814,987 | 41,206,980 | 125,350,319 |
| Expenditures: | | | | | |
| Current | | | | | |
| General government | 15,980,087 | - | 2,437,698 | 4,558,740 | 22,986,525 |
| Public safety | 29,934,852 | - | - | 6,338,885 | 36,273,737 |
| Public works | 2,926,239 | - | - | 3,295,847 | 6,222,086 |
| Community development | 4,426,170 | - | - | 5,727,985 | 10,154,155 |
| Culture and recreation | 8,908,281 | - | - | 3,637,374 | 10,645,655 |
| Education | 2,870,215 | - | - | - | 2,870,215 |
| Total current expenditures | 62,865,844 | - | 2,437,698 | 23,558,831 | 88,852,373 |
| Capital outlay: | | | | | |
| General government | 151,180 | - | 99,035 | 938,408 | 1,188,621 |
| Public safety | 83,197 | - | - | 2,236,864 | 2,320,181 |
| Public works | 2,950 | - | - | 7,123,887 | 7,126,837 |
| Community development | 2,518 | - | - | 398,004 | 400,520 |
| Culture and recreation | 108,758 | - | - | 7,048,235 | 7,156,991 |
| Education | 3,149 | - | - | - | 3,149 |
| Total capital outlay expenditures | 351,748 | - | 99,035 | 17,745,498 | 18,196,279 |
| Debt service: | | | | | |
| Principal payments | - | 23,538,688 | - | - | 23,538,688 |
| Interest and fiscal agent fees | - | 6,202,697 | - | - | 6,202,697 |
| Bond issuance costs | - | 401,987 | - | - | 401,987 |
| Total expenditures | 63,207,592 | 30,143,372 | 2,536,733 | 41,304,327 | 137,192,024 |
| Excess (deficiency) of revenues over expenditures | 3,333,084 | (27,355,696) | 12,278,254 | (97,347) | (11,841,705) |
| Other financing sources (uses): | | | | | |
| Transfers in | 4,998,397 | 30,266,745 | 1,229,386 | 40,845,950 | 77,138,478 |
| Transfers out | (6,593,727) | (51,557,023) | (14,973,818) | (19,835,368) | (82,759,737) |
| HUD loan payments (flow through) | - | 30,873 | - | - | 30,873 |
| Issuance of bonds | | | | | |
| Face value of bonds issued | - | 32,725,000 | - | - | 32,725,000 |
| Premium on issuance of bond | - | 4,092,779 | - | - | 4,092,779 |
| Total other financing sources (uses) | (1,597,330) | 16,468,474 | (13,744,233) | 21,010,582 | 22,127,493 |
| Net change in fund balances | 1,735,754 | (10,887,222) | (1,465,979) | 20,813,235 | 10,285,788 |
| Fund balances, beginning of year | 18,024,669 | 16,408,322 | 12,659,696 | 28,829,167 | 73,922,844 |
| Fund balances, end of year | \$ 17,760,413 | \$ 5,512,100 | \$ 11,193,717 | \$ 49,742,402 | \$ 84,208,632 |

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

CITY OF SANTA FE, NEW MEXICO
Reconciliation of the Statement of Revenues,
Expenditures, and Changes In Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2012

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

| | |
|--|-----------------------|
| Net change in fund balances—total governmental funds | \$ 10,285,788 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | 4,240,046 |
| The net effect of various miscellaneous transactions involving capital assets decrease in net assets: | (105,635) |
| The issuance of long-term debt (e.g., bonds, leases) provided current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | (13,604,449) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | (579,266) |
| Internal service funds are used by management to charge the costs of insurance to individual funds. | (3,073,372) |
| The net revenue of certain activities of internal service funds is reported with governmental activities. | <u>100,682</u> |
| Change in net assets of governmental activities | <u>\$ (2,736,206)</u> |

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

CITY OF SANTA FE, NEW MEXICO
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2012

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|---------------|---------------|--|
| | Original | Final | Amounts | Final Budget - Positive (Negative) |
| Revenues: | | | | |
| Taxes: | | | | |
| State-shared taxes: | | | | |
| Gross receipts | \$ 35,578,200 | \$ 35,578,200 | \$ 37,414,637 | \$ 1,836,437 |
| Cigarette | - | - | 80 | 80 |
| Automobile | 320,000 | 320,000 | 353,124 | 33,124 |
| Total state-shared taxes | 35,898,200 | 35,898,200 | 37,767,821 | 1,869,621 |
| Local taxes: | | | | |
| Gross receipts | 14,053,519 | 14,053,519 | 14,814,638 | 781,119 |
| Property | 2,888,155 | 2,883,105 | 3,042,360 | 159,256 |
| Total local taxes | 16,939,674 | 16,936,624 | 17,856,998 | 920,374 |
| Regulatory fees: | | | | |
| Franchise | 2,330,000 | 2,330,000 | 2,518,009 | 188,009 |
| Total fees | 2,330,000 | 2,330,000 | 2,518,009 | 188,009 |
| Other Revenues: | | | | |
| Licenses and permits | 2,403,823 | 2,403,823 | 2,341,438 | (62,387) |
| Intergovernmental revenue | 90,000 | 188,597 | 160,860 | (37,737) |
| Fees and charges for services | 8,321,082 | 8,032,082 | 5,251,219 | (2,780,843) |
| Fines and forfeitures | 405,000 | 405,000 | 370,072 | (34,928) |
| Royalties, rents and concessions | 31,300 | 31,300 | 58,908 | 25,608 |
| Investment income | 87,922 | 72,422 | 64,978 | (7,444) |
| Other revenues | - | 331,336 | 154,377 | (176,959) |
| Total Other Revenue | 11,319,107 | 11,474,540 | 8,389,848 | (3,074,692) |
| Total revenues | 66,488,981 | 66,639,364 | 66,540,676 | (98,688) |
| Expenditures: | | | | |
| General government: | | | | |
| Current: | | | | |
| General government | 2,763,377 | 2,817,139 | 1,754,095 | 1,063,044 |
| Municipal court | 1,310,869 | 1,289,758 | 1,370,384 | (80,626) |
| City clerk | 1,206,855 | 1,188,964 | 892,225 | 306,739 |
| Information technology and telecommunication | 3,167,875 | 3,159,733 | 2,582,208 | 597,527 |
| Personnel | 921,542 | 920,292 | 718,204 | 202,088 |
| Finance | 3,256,190 | 3,402,430 | 4,794,378 | (1,391,948) |
| Planning | 1,785,440 | 1,790,530 | 1,793,304 | (2,774) |
| Facilities maintenance | 2,729,360 | 2,674,940 | 1,851,745 | 823,195 |
| Fleet maintenance | 592,483 | 587,703 | 253,546 | 334,157 |
| Total current | 17,733,581 | 17,841,489 | 15,990,087 | 1,851,402 |
| Capital outlay: | | | | |
| General government | 13,378 | 246,021 | 110,101 | 135,920 |
| Municipal Court | 1,560 | 22,829 | 22,723 | (84) |
| City clerk | 8,000 | 39,670 | 3,200 | 36,470 |
| Information technology and telecommunication | - | 6,688 | 765 | 4,921 |
| Personnel | - | 1,250 | 1,244 | 6 |
| Finance | 1,700 | 1,600 | 3,138 | (1,638) |
| Planning | 8,515 | 8,515 | 5,010 | 1,505 |
| Facilities maintenance | 2,700 | 5,585 | 4,999 | 586 |
| Fleet Maintenance | - | - | - | - |
| Total capital outlay | 35,853 | 328,856 | 151,180 | 177,676 |
| Total general government | 17,789,444 | 18,170,345 | 16,141,267 | 2,029,078 |

(continued)

CITY OF SANTA FE, NEW MEXICO
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2012

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|------------------------------|------------------|------------|-------------------|---|
| | Original | Final | | |
| Public safety: | | | | |
| Current: | | | | |
| Police | 18,227,663 | 18,052,112 | 17,327,173 | 724,939 |
| Fire | 12,239,380 | 12,489,408 | 12,607,879 | (116,271) |
| Total current | 30,467,043 | 30,541,520 | 29,934,852 | 606,668 |
| Capital outlay: | | | | |
| Police | - | 3,000 | 2,980 | 20 |
| Fire | 20,065 | 79,665 | 80,217 | (552) |
| Total capital outlay | 20,065 | 82,665 | 83,197 | (532) |
| Total public safety | 30,487,108 | 30,624,185 | 30,018,049 | 606,136 |
| Public works: | | | | |
| Current: | | | | |
| Administration | 279,827 | 279,827 | 115,608 | 164,218 |
| Highways, streets and roads | 301,284 | 297,266 | 200,169 | 97,097 |
| Traffic engineering | 2,505,906 | 2,476,123 | 2,610,461 | (134,338) |
| Total current | 3,087,027 | 3,053,216 | 2,926,239 | 126,977 |
| Capital outlay: | | | | |
| Traffic Engineering | - | 3,000 | 2,950 | 50 |
| Total capital outlay | - | 3,000 | 2,950 | 50 |
| Total public works | 3,087,027 | 3,056,216 | 2,929,189 | 127,027 |
| Community development: | | | | |
| Current: | | | | |
| Human needs | 1,183,017 | 1,295,843 | 772,018 | 523,825 |
| Senior citizens | - | - | 116 | (116) |
| Community services | 1,114,732 | 1,114,732 | 1,146,615 | (31,883) |
| Inspection | 1,436,937 | 1,417,008 | 1,444,310 | (27,302) |
| Zoning | 1,258,651 | 1,254,642 | 1,063,112 | 191,530 |
| Total current | 4,993,337 | 5,082,225 | 4,426,170 | 656,055 |
| Capital outlay: | | | | |
| Human needs | 400 | 400 | 304 | 96 |
| Inspection | 2,600 | 2,600 | 566 | 2,035 |
| Zoning | 7,105 | 7,105 | 1,647 | 5,458 |
| Total capital outlay | 10,105 | 10,105 | 2,516 | 7,589 |
| Total community development | 5,003,442 | 5,092,330 | 4,428,686 | 663,644 |
| Culture and recreation: | | | | |
| Current: | | | | |
| Parks/grounds maintenance | 5,128,110 | 5,132,469 | 5,007,407 | 125,062 |
| Recreation | 2,000,999 | 1,984,453 | 1,900,874 | 93,579 |
| Total current | 7,129,109 | 7,126,922 | 6,908,281 | 218,641 |
| Capital outlay: | | | | |
| Parks/grounds maintenance | 12,535 | 127,294 | 102,844 | 24,450 |
| Recreation | 21,357 | 9,303 | 5,912 | 3,391 |
| Total capital outlay | 33,992 | 136,597 | 108,756 | 27,841 |
| Total culture and recreation | 7,163,101 | 7,263,519 | 7,017,037 | 246,482 |

(continued)

CITY OF SANTA FE, NEW MEXICO
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2012

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

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

Business-type Activities - Enterprise Funds

| | Waste Water Management | Water Management | Solid Waste Management | Railyard Property |
|---|------------------------------|-----------------------|------------------------------|----------------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash, investments and cash equivalents | \$ 20,794,119 | \$ 67,852,478 | \$ 9,021,917 | \$ 1,471,378 |
| Restricted cash, cash equivalents and investments: | | | | |
| Restricted for debt service payments | 185,185 | 5,987,680 | 158,532 | 111,759 |
| Grants receivable | 10,452 | 864,892 | - | 1 |
| Receivable (net of allowances) | | | | |
| State-shared taxes | 315,387 | 1,259,328 | 315,386 | - |
| Accounts | 1,822,933 | 6,321,771 | 1,249,281 | - |
| Interest receivable | 26,648 | 120,065 | 10,746 | 1,627 |
| Prepaid expenses | - | 12,183,280 | - | - |
| Inventory | - | 281,958 | - | - |
| Total current assets | 22,964,704 | 94,851,298 | 10,785,841 | 1,584,665 |
| Noncurrent assets: | | | | |
| Deferred charges (net of amortization) | 658,216 | 2,303,039 | 231,026 | 175,770 |
| Capital assets: | | | | |
| Land and land rights | 25,498 | 2,472,660 | - | 20,145,837 |
| Water rights | - | 932,658 | - | - |
| Buildings and structures | 28,817,899 | 126,512,468 | 361,318 | 8,351,011 |
| Sewerlines and utility systems | 23,700,758 | 79,291,411 | - | - |
| Improvements | 31,190,863 | 19,819,849 | 1,111,291 | 23,416,129 |
| Furniture and fixtures | 13,344 | 585,001 | 4,928 | - |
| Equipment and machinery | 2,530,741 | 12,684,762 | 654,888 | - |
| Vehicles | 2,753,858 | 1,808,657 | 8,155,228 | - |
| Intangible plant | - | 67,825 | - | - |
| Data processing equipment /software | 228,522 | 1,798,020 | 64,747 | - |
| Art | - | - | - | - |
| Construction in progress | 1,491,031 | 27,827,359 | - | 5,649,954 |
| Less accumulated depreciation | (58,553,994) | (66,514,108) | (6,703,152) | (5,447,326) |
| Total capital assets (net of accumulated depreciation) | 32,198,318 | 207,278,382 | 3,839,243 | 52,115,605 |
| Total noncurrent assets | 32,756,534 | 209,578,421 | 3,870,269 | 52,291,376 |
| Total assets | 55,719,238 | 304,430,719 | 14,626,110 | 63,876,040 |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable | 188,106 | 627,542 | 257,482 | 63,722 |
| Miscellaneous payable | 37,205 | 147,273 | 33,517 | - |
| Compensated absences payable | 28,818 | 91,925 | 39,828 | - |
| Accrued wages payable | 73,780 | 122,453 | 69,336 | - |
| Benefits payable | - | - | - | - |
| Claims and judgement payable | - | - | - | - |
| Bonds payable (net of unamortized discounts) | 1,529,927 | 3,222,975 | 803,110 | 307,342 |
| Notes payable | - | 860,285 | - | 86,959 |
| Accrued interest payable | 70,802 | 482,792 | 43,174 | 48,788 |
| Deferred revenue | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Customer deposits payable | 325,698 | 1,087,173 | 250,078 | - |
| Other payable | - | - | - | - |
| Intangible deferred credit | - | 823,697 | - | - |
| Due to other funds | - | - | - | - |
| Total current liabilities | 2,252,036 | 7,426,185 | 1,498,523 | 484,811 |
| Noncurrent liabilities: | | | | |
| Bonds and Notes payable (net of unamortized discounts) | 20,726,044 | 98,527,553 | 10,369,585 | 10,725,446 |
| Notes Payable | - | 15,533,483 | - | 1,184,417 |
| Compensated absences payable | 308,638 | 408,384 | 247,018 | - |
| Due to other funds | - | 7,524,545 | - | 3,603,862 |
| Total noncurrent liabilities | 21,031,680 | 121,991,945 | 10,618,603 | 15,513,725 |
| Total liabilities | 23,283,716 | 129,418,130 | 12,113,126 | 15,998,536 |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | 9,943,347 | 89,132,106 | (7,533,452) | 39,038,652 |
| Restricted for debt service | 185,185 | 5,987,680 | 158,532 | 111,759 |
| Unrestricted | 22,298,990 | 79,912,813 | 9,887,904 | (1,272,807) |
| Total net assets | \$ 32,435,522 | \$ 175,012,589 | \$ 2,512,984 | \$ 37,877,604 |

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

| Santa Fe Convention Center | College of Santa Fe | All Other Enterprise Funds | Totals | Governmental Activities- Internal Service Funds | |
|----------------------------------|---------------------------|----------------------------------|----------------|--|---|
| \$ 4,454,881 | \$ 5,811,304 | \$ 4,549,970 | \$ 113,855,834 | \$ 13,342,666 | Assets |
| 49,843 | - | - | 6,483,099 | - | Current assets: |
| 584,520 | 185,000 | 2,650,822 | 4,305,287 | - | Cash, investments and cash equivalents |
| - | - | - | 1,890,059 | - | Restricted cash, cash equivalents and investments: |
| 315,000 | - | 275,588 | 9,784,551 | - | Restricted for debt service payments |
| 7,129 | 9,123 | 3,826 | 179,063 | 18,802 | Grants receivable |
| 315,300 | - | - | 12,498,580 | 60,000 | Receivable (net of allowances) |
| - | - | - | 281,888 | - | State-shared taxes |
| 5,726,553 | 8,015,427 | 7,479,973 | 149,378,461 | 13,421,468 | Accounts |
| | | | | | Interest receivable |
| | | | | | Prepaid expenses |
| | | | | | Inventory |
| | | | | | Total current assets |
| | | | | | Noncurrent assets: |
| 459,127 | - | 245,788 | 3,970,888 | - | Deferred charges (net of amortization) |
| - | 11,164,785 | 4,451,778 | 38,260,558 | - | Capital assets: |
| 65,071,880 | 21,824,038 | 56,889,259 | 307,927,671 | - | Land and land rights |
| - | - | 29,820 | 103,021,987 | - | Water rights |
| 8,843 | - | 32,693,619 | 108,231,951 | - | Buildings and structures |
| 258,934 | - | 72,322 | 684,536 | 34,818 | Sewerlines and utility systems |
| 29,815 | - | 4,362,543 | 20,491,868 | 6,812 | Improvements |
| - | - | 12,419,483 | 25,168,842 | 35,829 | Furniture and fixtures |
| 104,746 | - | - | 57,825 | - | Equipment and machinery |
| 5,000 | - | 1,087,618 | 3,273,551 | 1,548 | Vehicles |
| 335,738 | 14,580,833 | 180,871 | 185,971 | - | Intangible plant |
| (5,040,869) | (2,481,921) | 4,861,963 | 54,767,998 | - | Data processing equipment /software |
| 60,774,867 | 45,197,835 | 71,206,104 | 472,408,364 | (68,987) | Art |
| | | | | | Construction in progress |
| | | | | | Less accumulated depreciation |
| | | | | 12,120 | Total capital assets (net of accumulated depreciation) |
| 61,233,994 | 45,197,835 | 71,451,892 | 476,379,320 | 12,120 | Total noncurrent assets |
| 66,980,547 | 51,213,262 | 78,931,886 | 626,757,781 | 13,433,688 | Total assets |
| | | | | | Liabilities |
| 36,652 | - | 600,060 | 1,773,564 | 150,860 | Current liabilities: |
| - | - | 31,009 | 249,004 | - | Accounts payable |
| - | - | - | 158,841 | 73,281 | Miscellaneous payable |
| 9,325 | 1,287 | 208,463 | 482,824 | 12,452 | Compensated absences payable |
| - | - | - | - | - | Accrued wages payable |
| - | - | - | - | - | Benefits payable |
| 1,219,365 | - | 882,266 | 7,965,005 | 7,072,768 | Claims and judgement payable |
| - | 645,000 | - | 1,572,244 | - | Bonds payable (net of unamortized discounts) |
| 109,583 | 131,885 | 38,319 | 900,943 | - | Notes payable |
| 315,000 | - | - | 315,000 | - | Accrued interest payable |
| 267,915 | - | 38,364 | 1,849,126 | - | Deferred revenue |
| - | - | - | - | - | Unearned revenue |
| - | - | - | - | 221 | Customer deposits payable |
| - | - | - | 823,897 | - | Other payable |
| - | - | 735,047 | 735,047 | - | Intangible deferred credit |
| | | | | - | Due to other funds |
| 1,957,840 | 777,952 | 2,629,548 | 18,924,895 | 7,309,882 | Total current liabilities |
| 47,316,023 | 27,725,000 | 9,355,139 | 224,743,790 | - | Noncurrent liabilities: |
| - | - | - | 18,717,880 | - | Bonds and Notes payable (net of unamortized discounts) |
| 28,214 | - | 902,167 | 1,890,419 | - | Notes Payable |
| - | - | - | 11,128,407 | - | Compensated absences payable |
| 47,344,237 | 27,725,000 | 10,267,308 | 254,480,496 | - | Due to other funds |
| 49,302,077 | 28,502,952 | 12,786,854 | 271,405,391 | 7,309,882 | Total noncurrent liabilities |
| | | | | | Total liabilities |
| 17,534,919 | 21,413,542 | 61,805,334 | 231,134,448 | - | Net Assets |
| 49,843 | - | - | 6,483,099 | - | Invested in capital assets, net of related debt |
| 73,608 | 1,290,708 | 4,539,677 | 116,734,843 | 6,123,908 | Restricted for debt service |
| \$ 17,658,470 | \$ 22,710,310 | \$ 68,145,011 | \$ 354,352,390 | \$ 6,123,908 | Unrestricted |
| | | | | | Total net assets |

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

| | Business-type Activities-Enterprise Funds | | | |
|---|--|-----------------------------|---------------------------------------|------------------------------|
| | Waste Water Management | Water Management | Solid Waste Management | Railyard Property |
| Operating revenues: | | | | |
| User fees | \$ 12,119,488 | \$ 37,216,821 | \$ 10,076,840 | \$ - |
| Facilities rentals | - | - | - | 574,930 |
| Other revenue | 262,775 | 492,243 | 87,222 | - |
| Total operating revenues | 12,382,263 | 37,709,064 | 10,144,062 | 574,930 |
| Operating expenses: | | | | |
| Salaries, wages and benefits | 4,513,741 | 7,614,748 | 4,021,654 | - |
| Contractual services and utilities | 2,350,493 | 6,299,618 | 3,416,761 | 133,887 |
| Repairs and maintenance | 529,257 | 467,321 | 434,218 | - |
| Supplies | 581,658 | 734,489 | 786,774 | - |
| Capital outlay-inventory exempt items | 22,000 | 154,612 | 169,870 | - |
| Depreciation | 4,795,852 | 8,757,971 | 759,255 | 2,436,577 |
| Amortization expense | 34,638 | 1,006,582 | 21,183 | 12,555 |
| Insurance | 321,082 | 341,461 | 157,291 | - |
| Bad debt expense | 268,876 | 100,295 | 187 | - |
| Other | 969,051 | 9,110,859 | 912,836 | 9,244 |
| Total operating expenses | 14,388,648 | 34,587,956 | 10,660,008 | 2,592,263 |
| Operating income (loss) | (2,004,385) | 3,121,108 | (515,946) | (2,017,333) |
| Non-operating revenues (expenses): | | | | |
| Investment income | 135,473 | 544,310 | 53,411 | 8,612 |
| Intergovernmental | | | | |
| State-shared taxes | 1,829,934 | 7,295,554 | 1,829,904 | - |
| Grants | - | 487,250 | 40,000 | - |
| Gain (loss) on sale of capital assets | 2,747 | 960 | 22,734 | - |
| Donated Land and Building | - | - | - | - |
| Interest expense | (527,266) | (2,586,451) | (547,681) | (545,559) |
| Prem(Discount) debt service expense | 34,927 | 148,025 | 18,110 | 72,342 |
| Other non-operating expenses | (11,848) | (34,858) | (4,820) | (683) |
| Total non-operating revenues (expenses) | 1,463,967 | 5,854,792 | 1,411,858 | (467,288) |
| Income(loss) before transfers | (540,418) | 8,975,900 | 895,712 | (2,484,621) |
| Transfers in | 2,688,639 | - | 14,000 | 1,323,473 |
| Transfers out | (3,496,972) | (221,000) | (75,000) | - |
| Change in net assets | (1,348,751) | 8,754,900 | 834,712 | (1,161,148) |
| Total net assets - beginning of year | 33,784,273 | 186,257,689 | 1,878,272 | 39,038,652 |
| Total net assets-end of year | \$ 32,435,522 | \$ 175,012,589 | \$ 2,512,984 | \$ 37,877,504 |

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

| Santa Fe Convention Center | College of Santa Fe | All Other Enterprise Funds | Totals | Governmental Activities- Internal Service Funds | |
|----------------------------------|------------------------|----------------------------------|----------------|--|---|
| \$ 422,315 | \$ - | \$ 8,693,387 | \$ 88,528,851 | \$ - | Operating revenues: |
| - | - | - | 574,930 | - | User fees |
| 598,071 | 2,350,000 | 1,346,395 | 5,116,706 | 21,379,601 | Facilities rentals |
| 1,020,386 | 2,350,000 | 10,039,782 | 74,220,487 | 21,379,601 | Other revenue |
| | | | | | Total operating revenues |
| 598,714 | 132,659 | 12,254,570 | 29,136,086 | 804,415 | Operating expenses: |
| 395,894 | 3,749 | 1,827,856 | 14,428,058 | 1,324,427 | Salaries, wages and benefits |
| 120,679 | - | 657,357 | 2,208,832 | 484 | Contractual services and utilities |
| 51,013 | - | 1,018,011 | 3,149,945 | 29,436 | Repairs and maintenance |
| 27,169 | - | 531,158 | 904,809 | 910 | Supplies |
| 1,299,840 | 876,962 | 3,492,331 | 22,418,788 | 14,388 | Capital outlay-inventory exempt items |
| 19,961 | - | 19,670 | 1,114,569 | - | Depreciation expense |
| 85,035 | - | 822,020 | 1,526,889 | 22,275,839 | Amortization expense |
| - | - | (5,362) | 363,996 | - | Insurance |
| 218,559 | 275 | 2,077,781 | 13,296,604 | 3,073 | Bad debt expense |
| | | | | | Other |
| 2,814,664 | 1,013,645 | 22,493,392 | 88,548,576 | 24,452,972 | Total operating expenses |
| (1,794,278) | 1,336,355 | (12,453,610) | (14,328,089) | (3,073,371) | Operating income (loss) |
| 34,980 | 48,951 | 18,772 | 840,509 | 106,680 | Non-operating revenues (expenses): |
| - | - | - | 10,955,392 | - | Investment income |
| 11,234 | - | 5,196,990 | 5,735,474 | 11,445 | Intergovernmental |
| - | - | 14,264 | 40,706 | (17,844) | State-shared taxes |
| - | - | - | - | - | Grants |
| (2,268,499) | (48,538) | (466,320) | (6,980,314) | - | Gain (loss) on sale of capital assets |
| 89,385 | - | 17,286 | 380,055 | - | Donated Land and Building |
| (3,197) | - | (1,707) | (67,111) | - | Interest expense |
| | | | | - | Prem(Discount) debt service expense |
| | | | | - | Other non-operating expenses |
| (2,136,117) | (1,587) | 4,779,285 | 10,904,710 | 100,681 | Total non-operating revenues (expenses) |
| (3,930,395) | 1,334,768 | (7,674,325) | (3,423,379) | (2,972,690) | Income(loss) before transfers |
| 4,199,468 | - | 12,809,845 | 21,035,425 | 500,000 | Transfers in |
| (145,522) | (38,000) | (595,829) | (4,572,323) | (1,341,843) | Transfers out |
| 123,551 | 1,296,768 | 4,539,691 | 13,039,723 | (3,814,533) | Change in net assets |
| 17,439,963 | 16,606,463 | 61,605,320 | 338,410,632 | - | Total net assets - beginning of year |
| \$ 17,658,470 | \$ 22,710,310 | \$ 66,145,011 | \$ 354,352,390 | \$ 6,123,906 | Total net assets, end of year |

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

| | Business-type Activities-Enterprise Funds | | | |
|---|--|-----------------------------|---------------------------------------|------------------------------|
| | Waste Water Management | Water Management | Solid Waste Management | Railyard Property |
| Cash flows from operating activities: | | | | |
| Cash received from customers | \$ 12,440,838 | \$ 38,127,056 | \$ 10,324,389 | \$ 574,930 |
| Cash received from interfund services provided and used | - | - | - | - |
| Cash payments to suppliers for goods and services | (4,090,379) | (16,643,444) | (4,829,276) | (143,131) |
| Cash paid for interfund services provided and used | (884,754) | (1,350,689) | (804,589) | - |
| Cash payments to employees for services | (4,675,887) | (7,787,609) | (4,185,185) | - |
| Net cash provided (used) by operating activities: | 2,789,818 | 12,345,414 | 505,319 | 431,799 |
| Cash flows from noncapital financing activities: | | | | |
| Intergovernmental | 1,832,321 | 9,798,174 | 1,872,224 | 4,023,862 |
| Transfers-in from other funds | 2,888,639 | 150,748 | 14,000 | 1,323,473 |
| Transfers-out to other funds | (3,496,972) | (371,746) | (75,000) | - |
| Net cash provided (used) by noncapital financing activities | 1,023,988 | 9,575,174 | 1,811,224 | 5,347,335 |
| Cash flows from capital and related financing activities: | | | | |
| Acquisition and construction of capital assets | (1,551,610) | (11,921,472) | (842,349) | (3,578,855) |
| Proceeds (Loss) from sale of capital assets | 2,747 | 960 | 22,734 | - |
| Principal paid on revenue bond maturities and notes payable | (563,842) | (2,609,291) | (760,000) | (293,880) |
| Interest paid on revenue bonds and notes payable | (1,455,073) | (4,042,703) | (581,411) | (546,983) |
| Intergovernmental payments | - | (3,100,000) | - | - |
| Net cash used for capital and related financing activities | (3,567,778) | (21,672,506) | (2,171,026) | (4,419,496) |
| Cash flows from investing activities: | | | | |
| Interest and dividends on investments | 140,385 | 550,958 | 56,337 | 6,288 |
| Net cash provided by investing activities | 140,385 | 550,958 | 56,337 | 6,288 |
| Net increase (decrease) in cash and cash equivalents | 388,413 | 799,040 | 201,854 | 1,365,924 |
| Cash, investments and cash equivalents at beginning of year | 20,602,891 | 73,021,118 | 8,978,595 | 217,213 |
| Cash, investments and cash equivalents at end of year | \$ 20,989,304 | \$ 73,820,158 | \$ 9,180,449 | \$ 1,583,137 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ (2,004,385) | \$ 3,121,108 | \$ (515,946) | \$ (2,017,333) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation/amortization/bad debt expense | 4,830,480 | 9,764,553 | 780,418 | 2,449,132 |
| Change in assets and liabilities: | | | | |
| (Increase) decrease in accounts receivable | 58,375 | 277,113 | 180,307 | - |
| (Increase) decrease in prepaid expenses | - | (154,349) | - | - |
| (Increase) decrease in deferred charges | - | - | - | - |
| Increase (decrease) in notes payable | - | - | - | - |
| Increase (decrease) in accounts payable | 46,887 | (530,120) | 207,740 | - |
| Increase (decrease) in miscellaneous payable | (31,481) | (100,909) | (44,880) | - |
| Increase (decrease) in compensated absences payable | 19,325 | 96,088 | 7,088 | - |
| Increase (decrease) in accrued wages payable | (181,272) | (288,949) | (170,819) | - |
| Increase (decrease) in escrow | 52,078 | 140,879 | 81,211 | - |
| Increase (decrease) in due to other funds | - | - | - | - |
| (Increase) decrease in claims payable | - | - | - | - |
| Total adjustments | 4,784,203 | 9,224,308 | 1,021,265 | 2,449,132 |
| Net cash provided (used) by operating activities | \$ 2,789,818 | \$ 12,345,414 | \$ 505,319 | \$ 431,799 |

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

| Santa Fe Convention Center | College of Santa Fe | All Other Enterprise Funds | Totals | Governmental Activities- Internal Service Funds | |
|----------------------------------|---------------------------|----------------------------------|-----------------|--|---|
| \$ 1,020,388 | \$ 2,350,000 | \$ 9,983,104 | \$ 74,820,483 | \$ 21,318,630 | Cash flows from operating activities: |
| - | - | - | - | 80,971 | Cash received from customers |
| (1,064,705) | (4,024) | (5,986,100) | (32,771,059) | (23,202,163) | Cash received from interfund services provided and used |
| (151,548) | - | (1,128,027) | (4,317,507) | - | Cash payments to suppliers for goods and services |
| (710,722) | (135,999) | (12,771,414) | (30,266,616) | (833,610) | Cash paid for interfund services provided and used |
| (906,589) | 2,209,977 | (9,910,437) | 7,465,301 | (2,656,172) | Cash payments to employees for services |
| | | | | | Net cash provided (used) by operating activities |
| (573,288) | - | 5,341,334 | 22,292,629 | 11,445 | Cash flows from noncapital financing activities: |
| 4,199,468 | - | 12,809,845 | 21,186,171 | 500,000 | Intergovernmental |
| (145,522) | (38,000) | (595,828) | (4,723,089) | (1,341,843) | Transfers-in from other funds |
| | | | | | Transfers-out to other funds |
| 3,480,860 | (38,000) | 17,555,350 | 38,755,731 | (830,388) | Net cash provided (used) by noncapital financing activities |
| (126,588) | (5,198,024) | (4,292,460) | (27,511,358) | - | Cash flows from capital and related financing activities: |
| - | - | 14,264 | 40,705 | (17,644) | Acquisition and construction of capital assets |
| (1,085,000) | (830,000) | (825,000) | (6,766,793) | - | Proceeds (Loss) from sale of capital assets |
| (2,270,412) | (49,756) | (6,001) | (8,982,339) | - | Principal paid on revenue bond maturities and notes payable |
| - | - | - | (3,100,000) | - | Interest paid on revenue bonds and notes payable |
| | | | | | Intergovernmental payments |
| (3,482,000) | (5,877,780) | (5,109,197) | (46,299,785) | (17,644) | Net cash used for capital and related financing activities |
| 38,060 | 53,898 | 19,798 | 865,724 | 116,840 | Cash flows from investing activities: |
| 38,060 | 53,898 | 19,798 | 865,724 | 116,840 | Interest and dividends on investments |
| (889,889) | (3,651,906) | 2,555,514 | 786,971 | (3,387,576) | Net cash provided by investing activities |
| 5,374,473 | 9,483,208 | 1,994,465 | 119,651,962 | 16,730,242 | Net increase (decrease) in cash and cash equivalents |
| \$ 4,504,604 | \$ 5,811,304 | \$ 4,549,979 | \$ 120,438,933 | \$ 13,342,666 | Cash, investments and cash equivalents at beginning of year |
| | | | | | Cash, investments and cash equivalents at end of year |
| | | | | | Reconciliation of operating income (loss) to net cash provided (used) by operating activities: |
| \$ (1,794,278) | \$ 1,338,356 | \$ (12,453,810) | \$ (14,328,089) | \$ (3,073,372) | Operating income (loss) |
| 1,319,801 | 878,962 | 3,512,001 | 23,533,357 | 14,388 | Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |
| - | - | (56,878) | 458,117 | - | Depreciation/amortization/bad debt expense |
| (315,300) | - | - | (469,849) | - | Change in assets and liabilities: |
| - | - | - | - | - | (Increase) decrease in accounts receivable |
| (7,223) | - | (27,581) | (27,581) | - | (Increase) decrease in prepaid expenses |
| (36,492) | - | 148,000 | (134,916) | (205,379) | (Increase) decrease in deferred charges |
| (75,516) | - | (1,192) | (178,462) | - | Increase (decrease) in notes payable |
| 2,419 | - | (25,114) | 80,896 | (6,066) | Increase (decrease) in accounts payable |
| - | (3,340) | (491,045) | (1,190,741) | (23,129) | Increase (decrease) in miscellaneous payable |
| - | - | 1,037 | 257,624 | - | Increase (decrease) in compensated absences payable |
| - | - | (518,275) | (518,275) | - | Increase (decrease) in accrued wages payable |
| | | | | | Increase (decrease) in escrow |
| | | | | | Increase (decrease) in due to other funds |
| | | | | | (Increase) decrease in claims payable |
| 887,689 | 873,622 | 2,543,173 | 21,793,390 | 417,200 | Total adjustments |
| \$ (906,589) | \$ 2,209,977 | \$ (9,910,437) | \$ 7,465,301 | \$ (2,656,172) | Net cash provided (used) by operating activities |

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

I. Summary of significant accounting policies

A. Reporting entity

The City of Santa Fe (the "City") is a municipal corporation governed by an elected mayor and an eight-member council. The accompanying financial statements present the government as an entity for which the City is considered to be financially accountable. Based on GASB 14 and GASB 61 it was determined the Santa Fe Civic Housing Authority was no longer a component of the City of Santa Fe. The City was no longer responsible for the authority's debt as a result of a HUD release. The City has no component units or blended component units that are legally separate entities.

B. Government-wide and fund financial statements

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability

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

is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are received. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Property taxes are levied and collected by the Santa Fe County treasurer on behalf of the City. The taxes are levied in November and payable in two installments, November 10th and April 10th. The County remits to the City a percentage of the collections made during the month. Taxes are considered delinquent and subject to lien, penalty and interest, 30 days after the date on which they are due.

The City reports the following major governmental funds:

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

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
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The City reports the following major proprietary funds:

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

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Assets, liabilities and net assets or equity

1. Deposits and investments

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

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

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

The Investment Policy provides for the following authorized investments:

1. United States Treasury Securities (Bills, Notes and Bonds).

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

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

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

- (d) Participation in the Local Government Investment Pool is voluntary.
7. Repurchase agreements and forward purchase agreements with equivalent collateral of at least one hundred two percent of the market value of the securities plus accrued interest.

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

2. Receivables and payables

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

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

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

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

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

3. Inventories and prepaid items

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

The City of Santa Fe is a party to a contract with the Bureau of Reclamation, United States of America which provides certain rights to purchase water from the San Juan Chama renewable water resource system. Per contract dating from 1976 and made permanent in 2006, the City of Santa Fe has rights to purchase 5,230 acre feet per year from the San Juan Chama system for which it pays a predetermined rate. The City may utilize the water in the year it purchases it or in a later year if utilization does not match the annual amount purchased. Amount acquired in excess of those amounts utilized are recorded as prepaid water assets in the statement of net assets. The amount recorded at June 30, 2012 was \$885,580.

The City of Santa Fe was party to a water resource contract with the Jicarilla Tribe and under the terms of the contract it purchased water resources from Jicarilla during the period 2004 through 2008. None of the purchased water has been utilized and is available for future use. The purchase amount of the water in the amount of \$11,297,700 is recorded as a prepaid water asset in the financial statements.

4. Restricted Assets

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

5. Capital assets

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense, net of amortization, capitalized by the City's Water Division and the College of Santa Fe during the current fiscal year was \$1,895,746 and \$1,542,962 respectively.

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

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

6. Compensated absences

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

7. Long-term obligations

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

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

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

8. Fund Balance

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

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

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

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

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

Unassigned - all other spendable amounts.

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

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

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

9. Net Assets

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

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

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

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

10. Comparative Data/Reclassifications

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

11. Use of Estimates

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

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

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of the (\$142,071,687) difference are as follows:

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balance – total governmental funds* and *changes in net assets of government activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of the \$4,240,046 are as follows:

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

City of Santa Fe, New Mexico
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Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." Neither transaction however has any effect on net assets. Also, governmental funds report the deferred and amortized amounts in the statement of activities. The details of this (\$13,604,449) difference are as follows:

| | |
|--|------------------------|
| Debt Issued or Incurred: | |
| Issuance of revenue bonds plus premium/discount | \$ (37,717,779) |
| Deferred bond costs | 294,642 |
| Principal Repayments: | |
| Revenue bond debt | 7,250,000 |
| General obligation bond debt | 1,240,000 |
| Revenue bond refunding | 14,390,000 |
| NMFA and HUD loan agreement payments | 938,688 |
| Net Adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ (13,604,449)</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 \$579,266 difference are as follows:

| | |
|--|---------------------|
| Compensated Absences | \$ 328,189 |
| Interest Payable | (36,347) |
| Amortization of bond premiums | (1,550,122) |
| Amortization of deferred charges | 679,014 |
| Net Adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ (579,266)</u> |

III. Stewardship, compliance and accountability

A. Budgetary information

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

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

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

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

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

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

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

Encumbrance accounting is employed in all funds. Encumbrances (purchase orders, contracts and other commitments for the expenditure of resources) outstanding at year end are carried forward to the new fiscal year and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

B. Excess of expenditures/expenses over appropriations

For the year ended June 30, 2012, expenditures/expenses exceeded appropriations in the following funds:

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

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

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

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Notes to the Financial Statements
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C. Deficit fund equity

The Municipal Recreation Complex, reported as an Enterprise Fund, has deficit fund equity of \$5,342,471. The deficit is the result of a portion of the bond proceeds being required for start-up costs, including capitalized interest and working capital. The deficit is expected to be recovered as a result of on-going operations.

The Special Projects Fund, reported as a Capital Improvement Fund, has deficit fund balance of \$366,488. This deficit was caused by the implementation of a web based financial system costing more than anticipated. The balance of the amount over-expended will be covered by cost sharing with the enterprise for the cost of the difference modules implemented.

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

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

IV. Detailed notes on all funds

A. Cash and Cash Equivalents

At year-end, the carrying amount of deposits for the City of Santa Fe was \$85,403,305 and the year-end bank balance was \$88,210,162. The total of demand deposits and short term-term certificates of deposit were covered by Federal Depository Insurance, by collateral held by the City's agent in the City's name, by letters of credit from the Federal Home Loan Bank of Dallas purchased by the depository institution, or by collateral held at appropriate custodial banks as delivered by the depository institution for the various certificates of deposit and investment accounts other than those held by the City's agent bank. The City's sweep accounts, the underlying investments of which are U.S. Government securities, are not subject to collateralization requirements.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2012 none of the City's deposits were exposed to custodial credit risk. The total of demand deposits and short-term certificates of deposit were covered by FDIC, by collateral held by the City's agent in the City's name, by letters of credit from the Federal Home Loan Bank of Dallas purchased by the depository institution, or by collateral held at appropriate custodial banks as delivered by the depository institution for certificates of deposit and investment accounts other than those held at the City's agent bank.

City of Santa Fe, New Mexico
Notes to the Financial Statements
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B. Investments

As of June 30, 2012, the City had the following investments and maturities:

| | Fair Value | Maturities | | | |
|-------------------------------|-----------------------|---------------------|----------------------|----------------------|------------------|
| | | Less than 1 year | 1 - 3 years | 3 - 5 years | 5 - 7 years |
| U. S. Government Agency bonds | \$ 107,557,818 | \$ 5,024,331 | \$ 53,317,099 | \$ 49,150,643 | \$ 65,745 |
| NM Municipal bonds | 1,923,514 | 355,062 | 1,568,452 | - | - |
| | <u>109,481,332</u> | <u>\$ 5,379,393</u> | <u>\$ 54,885,551</u> | <u>\$ 49,150,643</u> | <u>\$ 65,745</u> |
| Money Market Funds | 194,234 | | | | |
| NM LGIP | 702,858 | | | | |
| Total Investments | <u>\$ 110,378,424</u> | | | | |

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits portfolio maturities to five years or less, though investments held to accommodate debt reserve requirements may have longer maturities. It further manages exposure by limiting the weighted average maturity of its investment portfolio to less than one year. The New Mexico Local Government Investment Pool (NM LGIP) at June 30, 2012 had a WAM (R) of 60 days and a WAM (F) of 83 days. The NMLGIP has begun reporting two values for weighted average maturity at the request of Standard and Poor's, which rates the pool. WAM (R) is the weighted average maturity for reset bonds, i.e. longer term bonds that react as shorter term bonds due to a 60-day variable rate structure for resetting rates. S&P allows the NMLGIP to purchase such bonds as long as they are clearly identified and this separate maturity calculation is provided. The WAM (F) is the traditional weighted average final maturity value for the pool.

Credit Risk. As a charter city, the City's investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The City's investment policy follows the State of New Mexico statute on public funds with certain further limitations. While State statute permits investing in commercial paper and corporate notes, the City limits its investments to securities issued by the U.S. government or its agencies, money market funds consisting of U.S. government and/or U.S. government-sponsored agency securities, repurchase agreements, New Mexico Local Government Investment Pool, and New Mexico municipal securities. Also in compliance with the City Council approved Investment Policy, the City does not purchase any municipal, U.S. agency or instrumentality, money market or other allowed investment carrying less than the investment grade ratings offered by Standard and Poor's, Moody's and/or Fitch.

With the demise of most bond insurance firms and the unprecedented bond market turmoil that began during FY 2007-2008, the use of municipal bond insurance as a means of

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providing municipalities with AAA ratings was severely curtailed. The City has adopted an investment policy of purchasing municipals with equivalent ratings of AA or above. The City monitors the municipals in its portfolio, and makes appropriate decisions regarding their retention as needed. The Los Alamos bond noted below had a rating drop from S&P to AA- but since it matured July 1, 2012 the City held it to maturity. Municipals made up 1.4% of the portfolio at the end of FY 11-12.

| | <u>Fair Value</u> | <u>S&P</u> | <u>Moody's</u> |
|--|---------------------|----------------|----------------|
| Albuquerque NM Gross Receipts Tax Refunding Bond | \$ 1,568,452 | AAA | AA2 |
| Los Alamos County NM Utility Bond | 215,032 | AA- | AA3 |
| New Mexico Mortgage Finance Authority | 140,030 | AA+ | NR |
| | <u>\$ 1,923,514</u> | | |

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

The following table lists the fair value of securities and money market/pools in the City's portfolio as of June 30, 2012 with their respective percentage distribution, weighted average maturity and ratings. In addition to municipals and US Treasuries, the City holds FFCB, FHLB, FHLMC, FNMA and GNMA agencies. The Wells Fargo Bank money market account serves as the repository for cash derived from matured securities and available proceeds are continuously reinvested into securities.

| <u>Investment</u> | <u>Agencies</u> <u>Fair Value</u> | <u>%</u> | <u>WAM</u> <u>(Days)</u> | <u>S&P</u> <u>Rating</u> | <u>Moody's</u> <u>Rating</u> |
|-----------------------------|--------------------------------------|-----------------------|-----------------------------|---------------------------------|---------------------------------|
| NM LGIP | \$ 702,858 | 0.54% | 1 | AAAm | - |
| WFB Adv. Govt. Money Market | 194,234 | 0.15% | 1 | AAAm | Aaa-rmf |
| US Agencies | | | | | |
| FFCB | 6,508,015 | 4.96% | 646 | AA+ | AAA |
| FHLB | 25,278,885 | 19.25% | 33 | AA+ | AAA |
| FNMA | 57,341,470 | 43.67% | 151 | AA+ | AAA |
| FHLMC | 39,166,734 | 29.83% | 433 | AA+ | AAA |
| GNMAs | 190,485 | 0.15% | 1668 | NA | NA |
| NM Municipals - Taxable | 1,923,514 | 1.46% | 296 | AAA:AA- | AA2:AA3 |
| TOTAL | <u>\$ 131,306,195</u> | <u>100.00%</u> | <u>236</u> | | |

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

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

All securities owned by the City are held by Wells Fargo Bank as custodian for the City, and with the exception of municipal securities which carry their own rating, all securities are registered federal agency securities backed by the full faith and credit of the federal government and rated AAA by Moody's and AA+ by Standard and Poor's at June 30, 2012. The City invests in money market funds that contain only agency securities backed by the full faith and credit of the federal government. It has invested in the New Mexico Local Government Investment Pool (NMLGIP) which has the option of containing AAA corporate paper but the City itself does not hold any corporate paper, both in line with State of New Mexico statute. As of June 30, 2012, the NMLGIP had invested approximately 20% of the pool in corporate debt issued under the Federal Government Temporary Liquidity Guarantee Program (TLGP), which allowed banks and finance companies to issue corporate debt backed by the US government through FDIC. This debt carries the AAA/AA+ ratings of the Federal Government. The TLGP program expired as of December 31, 2012. The remainder of the pool was invested in agencies and cash accounts.

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
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C. Receivables

Receivables at June 30, 2012 for the City's individual major funds, non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

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

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

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

City of Santa Fe, New Mexico
Notes to the Financial Statements
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D. Capital assets

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

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

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

City of Santa Fe, New Mexico
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Depreciation expense was charged to function/programs of the government as follows:

Governmental Activities:

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

Business - Type Activities:

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

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Construction commitments:

The City has active construction projects as of June 30, 2012. The projects include street and highway construction, parks and recreation, community welfare, municipal facilities, airport improvements, and water division facilities improvements, waste water management, rail yard infrastructure, parking, transit, general government, solid waste and GCCC community center. At year end the City's commitments with contractors are as follows:

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

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

City of Santa Fe, New Mexico
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E. Endowment

The City of Santa Fe Library Endowment fund, of which the \$250,000 principal must remain intact in perpetuity, was reinvested in a one-year certificate of deposit for this fiscal year. The principal is invested to generate distributable income for the Southside Public Library to be used for library operations and maintenance of the building.

F. Inter-fund receivables, payables, and transfers

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

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

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

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

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

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

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

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

G. Leases

Operating Leases

The City has operating leases for certain buildings, parking lots, towers and data processing equipment. The operating leases are renewable annually contingent upon available appropriations. The total cost and minimum future lease payments are considered by management to be immaterial as of June 30, 2012.

Capital Leases

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

The assets acquired through this capital lease are as follows:

| | |
|-----------|-------------------|
| Equipment | \$ 959,500 |
| Total | <u>\$ 959,500</u> |

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

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

H. Long-Term Debt

Long-term debt of the City at June 30, 2012 consisted of revenue bonds payable solely from gross receipts tax revenues, revenue bonds payable solely from revenues of enterprise funds, general obligation bonds payable solely from property tax revenues, notes payable from gross receipts tax revenues, notes payable from lodger's tax revenues, notes payable from revenues of enterprise funds, capital leases, and compensated absences payable.

City of Santa Fe, New Mexico
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June 30, 2012

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

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

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

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

| Years Ended June 30 | Governmental Activities | | Business - Type Activities | |
|--------------------------------|--------------------------------|----------------------|-----------------------------------|-----------------------|
| | Principal | Interest | Principal | Interest |
| 2013 | \$6,775,000 | \$3,796,450 | \$7,585,000 | \$9,822,449 |
| 2014 | 6,985,000 | 3,583,613 | 8,240,000 | 9,504,961 |
| 2015 | 7,325,000 | 3,244,763 | 8,735,000 | 9,159,286 |
| 2016 | 7,670,000 | 2,897,713 | 9,180,000 | 8,794,049 |
| 2017 | 8,005,000 | 2,562,063 | 9,665,000 | 8,378,696 |
| 2018-2022 | 37,105,000 | 7,334,388 | 54,640,000 | 34,767,094 |
| 2023-2027 | 8,765,000 | 1,086,125 | 34,890,000 | 22,759,131 |
| 2028-2032 | 0 | 0 | 26,095,000 | 15,577,100 |
| 2033-2037 | 0 | 0 | 25,455,000 | 7,899,223 |
| 2038-2042 | 0 | 0 | 12,640,000 | 1,343,540 |
| Total | \$ 82,630,000 | \$ 24,505,113 | \$ 197,125,000 | \$ 128,005,529 |

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

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

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

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

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

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

Notes payable – Primary Government

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

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

Note payable to NMFA (SANTAFE16) issued on November 2, 2007, for the amount of \$200,000 at 0% interest with a maturity date of June 2027 in conjunction with a \$1,800,000 grant, to partially fund construction of the Buckman Direct Diversion Water Project. Per the joint powers agreement between the City of Santa Fe and the County of Santa Fe governing the Buckman Direct Diversion Project, the County receives credit for 50% of the grant proceeds and will reimburse the City for 50% of the loan cost.

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

City of Santa Fe, New Mexico
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Note payable to NMFA (SANTAFE19) issued on March 27, 2009, for the amount of \$800,000 at 0% interest with a maturity date of June 2029, in conjunction with a \$3,200,000 grant, to partially fund construction of the Buckman Direct Diversion Water Project. Per the joint powers agreement between the City of Santa Fe and the County of Santa Fe governing this project, the County receives credit for 50% of the grant proceeds and will reimburse the City for 50% of the loan cost.

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

Note payable to NMFA (SANTAFE WPF4) issued May 7, 2010, for the amount of \$800,000 at 0% interest with a maturity date of June 2030, in conjunction with a \$3,200,000 grant, to partially fund construction of the Buckman Direct Diversion Water Project. Per the joint powers agreement between the City of Santa Fe and the County of Santa Fe governing this project, the County receives credit for 50% of the grant proceeds and will reimburse the City for 50% of the loan cost.

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

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

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

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

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

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

Note payable to NMFA (SANTAFE DW-2) issued on May 16, 2008, for the amount of \$15,150,000 at 2.00% interest with a maturity date of June 2029 from the Drinking Water State Revolving Loan Fund, to partially fund construction of the Buckman Direct Diversion Water Project.

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

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

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

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

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

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

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

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

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

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

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

| | |
|---|----------------------|
| Buckman (#SANTAFEDW2) | \$ 13,242,623 |
| Canyon Rd Treatment Plant (#SANTAFE WPF3) | 341,269 |
| Water Upgrade (#SANTAFE22) | 201,204 |
| Watershed Management (#SANTAFE WPF5) | 212,441 |
| Green Energy Efficiency (#SANTA FEDW3) | 280,737 |
| Canyon Rd Treatment Plant (#SANTAFE WPF7) | 285,353 |
| | <u>\$ 14,563,627</u> |
| Less: Current Portion | (731,806) |
| Total Long Term Notes Payable | \$ 13,831,821 |
| Less: Cash in Trust | 0 |
| Total LT Notes Payable Less Cash in Trust | <u>\$ 13,831,821</u> |

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

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

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

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

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

Note payable to the NMFA issued on October 20, 2006, for the amount of \$892,227 at 5.985% interest with a maturity date of October 2026 for infrastructure improvements

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

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

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

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

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

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

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

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

City of Santa Fe, New Mexico
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The following represents the status of this loan as of June 30, 2012.

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

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

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

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

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

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

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

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

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

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Notes to the Financial Statements
June 30, 2012

The following represents the status of the NMFA Fire Vehicle, Parking Garage and Land Acquisition loans, the HUD loan, and the Santa Fe Public Schools loan as of June 30, 2012.

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

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

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

Advance and current refunding

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

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

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

City of Santa Fe, New Mexico
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June 30, 2012

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

Changes in long-term liabilities

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

| | Oustanding July 1, 2011 | Additions | Reductions | Oustanding June 30, 2012 | Due Within One Year |
|--------------------------------------|----------------------------|----------------------|------------------------|-----------------------------|------------------------|
| Governmental Activities: | | | | | |
| Revenue Bonds Payable | \$ 71,545,000 | \$ 32,725,000 | \$ (21,640,000) | \$ 82,630,000 | \$ 6,775,000 |
| General Obligation Bonds Payable | 28,950,000 | - | (1,240,000) | 27,710,000 | 1,200,000 |
| New Mexico Finance Authority Loans | 18,213,291 | - | (640,688) | 17,572,603 | 662,127 |
| Santa Fe Public School Loan | 280,000 | - | (280,000) | - | - |
| HUD Section 108 | 243,000 | - | (18,000) | 225,000 | 18,000 |
| Add. Deferred Amount (prem./disc.) | 4,598,118 | 5,063,209 | (1,550,122) | 8,111,205 | 905,109 |
| Compensated Absences | 6,232,678 | 1,403,701 | (2,225,817) | 5,410,562 | 540,441 |
| Capital Leases | - | 959,500 | (191,900) | 767,600 | 191,900 |
| Governmental Activity | \$ 130,062,087 | \$ 40,151,410 | \$ (27,786,527) | \$ 142,426,970 | \$ 10,292,577 |
| Business - Type Activities: | | | | | |
| Convention Center Bonds | \$ 47,565,000 | \$ - | \$ (1,085,000) | \$ 46,480,000 | \$ 1,130,000 |
| Water Revenue Bonds | 102,465,000 | - | (2,950,000) | 99,515,000 | 3,074,950 |
| Wastewater Revenue Bonds | 23,170,000 | 14,280,000 | (17,345,000) | 20,105,000 | 1,495,000 |
| Solid Waste Revenue Bonds | 11,735,000 | - | (760,000) | 10,975,000 | 785,000 |
| Municipal Recreation Complex Revenue | 10,855,000 | - | (825,000) | 10,030,000 | 865,000 |
| Railyard Refunding Bonds | 10,250,000 | - | (230,000) | 10,020,000 | 235,000 |
| New Mexico Finance Authority Loans | 47,505,487 | 970,533 | (1,960,897) | 46,515,123 | 1,572,244 |
| Add. Deferred Amount (prem./disc.) | 6,368,242 | 1,870,558 | (440,343) | 7,798,457 | 380,055 |
| Compensated Absences | 1,988,165 | 349,424 | (288,529) | 2,049,060 | 158,641 |
| Capital Leases | 27,561 | - | (27,561) | - | - |
| Business - Type Activity | \$ 261,929,455 | \$ 17,470,515 | \$ (25,912,330) | \$ 253,047,979 | \$ 9,695,890 |

Internal Service Funds predominantly serve governmental funds. Accordingly, long-term liabilities for these are included as part of the above totals for governmental activities. At year end, \$73,281 of internal service funds compensated absences is included in the above amounts. The amount \$257,680 of compensated absences, due within sixty days after year end is recorded within current liabilities in the governmental funds balance sheet statement, which is based on employees terminations and retirements. This is also the amount of compensated absences due within one year displayed as "long-term liabilities, due within one year" for the governmental activities on the government-wide statement of net assets.

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

Defeased Debt

In prior years, the City defeased certain revenue and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. As of June 30, 2012 \$14,390,000 of outstanding bonds were considered defeased.

I. Segment information

Segment information reflects an activity reported as an enterprise fund or another stand-alone entity for which one or more revenue bonds or other revenue-backed debt instruments are outstanding based on a specific identifiable revenue stream pledged in support of the bonds. The City has five such enterprise funds: Waste Water Management, Water Management, Santa Fe Convention Center, Solid Waste Management and the Municipal Recreation Complex (MRC). Waste Water Management, Water Management, Solid Waste Management, and Santa Fe Convention Center are all reported as major funds. Financial segment information for the non-major enterprise fund for Fiscal Year Ended June 30, 2012 is as follows:

Condensed Statement of Net Assets June 30, 2012

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

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

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

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

Condensed Statement of Cash Flows June 30, 2012

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

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

V. Other information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries various insurance. The City administers its insurance coverage through the Risk Management Office. The Risk Management Fund, Santa Fe Health Fund/Dental Fund, and Worker's Compensation Fund are reported as Internal Service funds. Premiums are paid into the funds by all other funds and available to pay claims, claim reserves, and administrative costs of the programs. The City purchases commercial insurance for claims in excess of coverage provided by the funds and for other risks of loss. The City has had no significant reduction in insurance coverage from the prior year and, as of June 30, 2012; such inter-fund premiums did not exceed reimbursable expenditures.

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

The Santa Fe Health/Dental Fund accounts for the self-insured program for employee health and major medical benefits. Claims are handled by a professional third-party claims administrator. The City maintains specific stop loss coverage for individual claims in excess of \$225,000 and aggregate coverage of cumulative claims in excess of 125% of expected claims.

The Workers' Compensation Fund accounts for the self-insured program and for worker's compensation coverage. Claims are handled by a professional, third-party claims administrator. The City maintains specific stop loss coverage for individual claims in excess of \$500,000 with a \$1,000,000 statutory limit.

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

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

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

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

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

B. Contingent liabilities

The City receives significant financial assistance from federal and state sources in the form of grants and entitlements. The disbursements of the funds received are generally limited to specific compliance requirements as specified in the grant agreement. During the period under audit, the City also had its grants audited under the audit requirements of the Office of Management and Budgets Circular A-133 and the U. S. Department of Housing and Urban Development. The Federal agencies reserve the right to review the scope of the audit and conduct a follow-up review if deemed necessary. Any disallowed claims resulting from such audits could become a liability of the general fund or any other applicable City fund. The City, however, believes that liabilities resulting from disallowed claims, if any, would not have a material effect on the City's financial position at June 30, 2012.

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

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

C. Jointly governed organizations

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

The Agency has its own financial statements as a separate entity, audited on an annual basis. The City serves as the fiscal agent. Completed financial statements for the Agency may be obtained at the Santa Fe Solid Waste Management Agency, 149 Wildlife Way, Santa Fe, NM 87506.

Under a joint powers agreement for the Buckman Direct Diversion Project (BDD) dated January 11, 2005, the City of Santa Fe joined the County of Santa Fe to design and construct the BDD project in order to divert surface water from the Rio Grande River to the independent water systems of the City and County. The City and County each own 50% of the BDD project and have established a board to oversee the planning, procurement, financing, permitting, design, construction, operations and management of the BDD project. The BDD Board is comprised of two members of the governing body of the City of Santa Fe, two members of the Board of Santa Fe County Commissioners and one citizen member at large appointed by a majority vote of the four other members. The project is essentially complete as of December, 2010. First water delivery was approved to enter the Santa Fe region water systems as of January 2011 by the New Mexico Environment Department. The City of Santa Fe and Santa Fe County are responsible on an ongoing basis for financial and operating costs of the system. The City is a fiscal agent for the project through a project management and fiscal services agreement in effect through December 2015. Fiscal services include maintaining separate books and accounts of all transactions that relate to the project including third party transactions. The BDD project has its own financial statements and is audited on an annual basis. Completed financial statements for the BDD project may be obtained at the City of Santa Fe, 200 Lincoln Street, Santa Fe, NM 87505.

D. Post-employment benefits- State Retiree Health Care Plan

Plan Description. The City contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post employment healthcare plan administered by The New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C,

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

NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term policies.

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of the participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In fiscal year ending June 30, 2013 the contribution rates for employees and employers will rise as follows:

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

| <u>Fiscal Year</u> | <u>Employer Contribution Rate</u> | <u>Employee Contribution Rate</u> |
|--------------------|-----------------------------------|-----------------------------------|
| FY13 | 2.000% | 1.000% |

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

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

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

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

Also employers joining the program after January 1, 1998 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The City's contributions to RHCA for the years ending June 30, 2012, 2011, and 2010 were \$1,201,165, \$1,118,457, and \$809,730, equal to the required contribution.

E. Pension plan – Public Employers Retirement Association

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

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

- 1) 21.25% of fire fighters' salaries, however, as an employee benefit, the City elected to contribute 33.40% to the fire fighters' 4.05% contribution.

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

2) 9.15% of regular employee salaries, however, as an employee benefit, the City elected to adopt the 75% pick-up provision allowed by state statute thereby contributing 19.0125% to the regular employees' 3.2875% contribution.

3) 18.5% of police officer's salaries, however, as an employee benefit, the City elected to contribute 26.65% to the police officers' 8.15% contribution.

The contribution requirements of plan members and the City are established in State statute under Chapter 10 Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The City's contributions to PERA for the years ending June 30, 2012, 2011, 2010, were \$13,414,186, \$13,677,127 and \$13,628,516, equal to the required contribution.

F. Conduit debt obligations

The City of Santa Fe has issued Industrial Revenue Bonds to provide financial assistance to private-sector and not-for-profit entities for the acquisition and construction of industrial, commercial, educational, and health care facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received from the entities involved. Upon repayment of the bonds, ownership of the acquired facilities transfers to the entity served by the bond issuance. Neither the City or the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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

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

G. Subsequent Events

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

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

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

H. New Accounting Standards

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

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

Supplementary Information

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Nonmajor Governmental Funds Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Recreation Grants – to account for 1) the portion of the cigarette tax received by the City and required by State law to be used for recreation purposes and 2) a U.S. Department of Agriculture grant used to provide lunches to children who are participants in the summer recreation program. Sections 7-1-6, 11A and 7-12-15 & 16 NMSA 1978

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

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

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

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

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

| | Special Revenue | Capital Projects | Totals |
|---|--------------------|---------------------|---------------|
| Revenues: | | | |
| Taxes: | | | |
| Gross receipts | \$ 12,956,156 | \$ | \$ 12,956,156 |
| Cigarette | 31 | | 31 |
| Motor | - | 1,419,199 | 1,419,199 |
| Lodgers | 7,881,259 | | 7,881,259 |
| Property | 2,633,685 | - | 2,633,685 |
| Franchise | 19,183 | - | 19,183 |
| Intergovernmental revenues | 5,839,615 | 8,282,188 | 11,921,801 |
| Fees and charges for services | 3,503,474 | - | 3,503,474 |
| Sale of capital assets | - | - | - |
| Rents, royalties and concessions | 149,084 | - | 149,084 |
| Investment income | 110,749 | 114,446 | 225,195 |
| Land sales | 90,938 | - | 90,938 |
| Other revenues | 349,753 | 57,221 | 406,974 |
| Total revenues | 33,333,928 | 7,873,052 | 41,206,980 |
| Expenditures: | | | |
| Current: | | | |
| General government | 4,371,198 | 187,542 | 4,558,740 |
| Public safety | 6,338,885 | - | 6,338,885 |
| Public works | 2,090,030 | 1,205,917 | 3,295,947 |
| Community development | 5,718,172 | 9,813 | 5,727,985 |
| Culture and recreation | 2,756,787 | 880,587 | 3,637,374 |
| Total current expenditures | 21,275,072 | 2,283,759 | 23,558,831 |
| Capital outlay: | | | |
| General government | 4,650 | 933,756 | 938,406 |
| Public safety | 2,236,964 | - | 2,236,964 |
| Public works | 11,612 | 7,112,275 | 7,123,887 |
| Community development | 70,112 | 327,892 | 398,004 |
| Culture and recreation | 31,312 | 7,016,923 | 7,048,235 |
| Total capital outlay expenditures | 2,354,650 | 15,390,846 | 17,745,496 |
| Excess (deficiency) of revenues over expenditures | 9,704,206 | (9,801,553) | (97,347) |
| Other financing sources (uses): | | | |
| Transfers in | 9,179,866 | 31,466,084 | 40,645,950 |
| Transfers out | (16,977,188) | (2,658,180) | (19,635,368) |
| Total other financing sources (uses) | (7,797,322) | 28,807,904 | 21,010,582 |
| Net change in fund balances | 1,906,884 | 19,006,351 | 20,913,235 |
| Fund balances, beginning of year | 17,845,254 | 10,983,913 | 28,829,167 |
| Fund balances, end of year | \$ 19,752,138 | \$ 29,990,264 | \$ 49,742,402 |

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

| | Assets | | | | | | | Accounts Payable | | Compensated Absences Payable |
|-------------------------------------|--|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|---------------------|------------------|------------------------------|
| | Cash, Investments and Cash Equivalents | Taxes Receivable | Grants Receivable | Interest Receivable | Other Receivables | Due from Other Funds | Total Assets | | | |
| Primary Government | | | | | | | | | | |
| General Government: | | | | | | | | | | |
| Capital Equipment Reserve | \$ 28,773 | \$ - | \$ - | \$ 88 | \$ - | \$ - | \$ 28,861 | \$ 730 | \$ - | |
| Mortgage Refund Residual | 367,157 | - | - | 485 | - | - | 367,642 | - | - | |
| Franchise Fee | 778 | 9,582 | - | - | - | - | 10,360 | 2,735 | - | |
| Economic Development | 828,504 | - | - | 882 | 118,859 | - | 748,245 | 60,075 | - | |
| Lodgers' Tax Fund | 3,000,051 | - | - | 4,229 | 965,340 | - | 3,969,620 | 445,894 | - | |
| 400th Anniversary | - | - | - | 474 | - | - | 474 | - | - | |
| Public Campaign | 397,132 | - | - | - | - | - | 397,132 | - | - | |
| Santa Fe Business Incubator | 32,608 | - | - | 43 | - | - | 32,651 | - | - | |
| 1/2 % Gross Receipts Tax | 1,570,777 | 1,927,317 | - | 2,219 | - | - | 3,480,313 | - | - | |
| Total General Government | 6,025,780 | 1,936,899 | - | 8,420 | 1,084,199 | - | 9,035,298 | 509,434 | - | |
| Public Safety: | | | | | | | | | | |
| Animal Services | 149,555 | - | - | 194 | - | - | 149,749 | - | - | |
| Emergency Service Grants | 1,543,387 | 26,472 | 60,373 | 2,246 | - | - | 1,632,478 | 56,029 | - | |
| Environmental Services | - | - | 70,768 | - | - | - | 70,768 | 1,030 | - | |
| Law Enforcement Grants | 3,400,819 | 315,366 | 459,900 | 3,294 | - | - | 4,179,479 | 228,293 | - | |
| Total Public Safety | 5,093,861 | 341,838 | 591,041 | 5,734 | - | - | 6,032,474 | 285,352 | - | |
| Public Works: | | | | | | | | | | |
| Resource Conservation | 24,372 | - | - | - | - | - | 24,372 | 88 | - | |
| City Drainage Projects | 217,280 | - | 320 | - | 113,887 | - | 331,487 | 39,603 | - | |
| Impact Fee Projects | 2,728,690 | - | 3,599 | - | - | - | 2,732,279 | - | - | |
| Transportation Grants | 127,100 | - | 107,454 | 222 | - | - | 234,776 | 4,209 | - | |
| Total Public Works | 3,097,432 | - | 111,373 | 222 | 113,887 | - | 3,322,914 | 37,900 | - | |
| Community Development: | | | | | | | | | | |
| Community Development Grants | 533,110 | - | 208,106 | 211 | - | - | 741,927 | 116,464 | - | |
| Senior Citizen Grants | - | - | 123,955 | - | 4,035 | - | 127,990 | 1,447 | 24,322 | |
| Total Community Development | 533,110 | - | 332,061 | 211 | 4,035 | - | 869,517 | 117,911 | 24,322 | |
| Culture and Recreation: | | | | | | | | | | |
| Historic Preservation Grant | 129,953 | - | 4,000 | 148 | - | - | 128,101 | - | - | |
| Library | 389,330 | - | - | 287 | - | - | 389,627 | 45,258 | - | |
| Plaza Use | 65,627 | - | - | 65 | - | - | 65,712 | - | - | |
| Public Facilities Purchase | 55,698 | - | - | 74 | - | - | 55,772 | - | - | |
| Quality of Life Project | 197,249 | - | - | 297 | - | - | 197,546 | 11,713 | - | |
| Recreation Grants | 675,613 | - | 11,095 | 1,007 | - | - | 687,715 | 69,269 | - | |
| Land Development | 1,557,517 | - | - | 2,200 | 2,512,827 | 613,804 | 4,686,348 | - | - | |
| Special Recreation Leagues | 130,041 | - | - | 170 | - | - | 130,211 | 4,011 | - | |
| Total Culture and Recreation | 3,195,028 | - | 15,095 | 4,278 | 2,512,827 | 613,804 | 6,341,032 | 130,251 | - | |
| Totals - June 30, 2012 | \$ 17,945,211 | \$ 2,258,737 | \$ 1,049,570 | \$ 19,365 | \$ 3,714,948 | \$ 613,804 | \$ 25,601,635 | \$ 1,080,848 | \$ 24,322 | |

| Liabilities | | | | | Fund Balance Spendable | | | | Total Fund Balances | Total Liabilities and Fund Balances |
|-----------------------|--------------------|---------------------------|-------------------|-------------------|------------------------|------------|--------------|-------------|---------------------|-------------------------------------|
| Accrued Wages Payable | Due to Other Funds | Deferred Unearned Revenue | Deposits/ Escrows | Total Liabilities | Restricted | Committed | Assigned | Unassigned | | |
| \$ 469 | \$ - | \$ - | \$ - | \$ 1,199 | \$ - | \$ 27,662 | \$ - | \$ - | \$ 27,662 | \$ 28,861 |
| - | - | - | - | - | - | - | 367,642 | - | 367,642 | 367,642 |
| - | - | - | - | 2,735 | - | 7,625 | - | - | 7,625 | 10,360 |
| 7,182 | - | 84,762 | 397,488 | 549,487 | 198,758 | - | - | - | 198,758 | 748,245 |
| 22,033 | - | - | 6,975 | 474,902 | 3,494,718 | - | - | - | 3,494,718 | 3,969,620 |
| - | 320 | - | - | 320 | - | - | 154 | - | 154 | 474 |
| - | - | - | - | - | - | 397,132 | - | - | 397,132 | 397,132 |
| - | - | - | - | - | 32,651 | - | - | - | 32,651 | 32,651 |
| - | - | - | - | - | 3,480,313 | - | - | - | 3,480,313 | 3,480,313 |
| 29,684 | 329 | 84,762 | 404,443 | 1,028,643 | 7,206,440 | 432,419 | 367,796 | - | 8,006,655 | 9,035,298 |
| - | - | - | - | - | 149,749 | - | - | - | 149,749 | 149,749 |
| 32,235 | - | - | - | 88,264 | 1,544,214 | - | - | - | 1,544,214 | 1,632,478 |
| 11,831 | 73,816 | - | - | 85,677 | - | - | - | (15,909) | (15,909) | 70,768 |
| 38,327 | - | - | - | 266,820 | 3,912,659 | - | - | - | 3,912,659 | 4,179,479 |
| 62,393 | 73,816 | - | - | 441,561 | 5,606,822 | - | - | (15,909) | 5,590,913 | 6,032,474 |
| - | - | - | - | 88 | - | - | 24,284 | - | 24,284 | 24,372 |
| 21,441 | - | - | - | 55,044 | - | - | 276,443 | - | 276,443 | 331,487 |
| - | - | - | 12,000 | 12,000 | 2,720,279 | - | - | - | 2,720,279 | 2,732,279 |
| 4,148 | - | - | - | 8,357 | 226,419 | - | - | - | 226,419 | 234,776 |
| 25,589 | - | - | 12,000 | 75,489 | 2,946,698 | - | 300,727 | - | 3,247,425 | 3,322,914 |
| 2,003 | - | - | 230,009 | 348,476 | 393,451 | - | - | - | 393,451 | 741,927 |
| 39,557 | 16,806 | - | - | 62,132 | 45,856 | - | - | - | 45,856 | 127,990 |
| 41,560 | 16,806 | - | 230,009 | 430,608 | 439,309 | - | - | - | 439,309 | 869,917 |
| - | - | - | - | - | 128,101 | - | - | - | 128,101 | 128,101 |
| 11,354 | - | - | - | 56,612 | 333,015 | - | - | - | 333,015 | 389,627 |
| - | - | - | - | - | - | 65,712 | - | - | 65,712 | 65,712 |
| - | - | - | - | - | - | 55,772 | - | - | 55,772 | 55,772 |
| - | - | - | - | 11,713 | - | 185,833 | - | - | 185,833 | 197,546 |
| 44,960 | - | - | - | 114,229 | 573,486 | - | - | - | 573,486 | 687,715 |
| - | 1,173,804 | 2,512,827 | - | 3,686,631 | - | - | 999,717 | - | 999,717 | 4,686,348 |
| - | - | - | - | 4,011 | - | - | 126,200 | - | 126,200 | 130,211 |
| 56,314 | 1,173,804 | 2,512,827 | - | 3,873,186 | 1,034,602 | 307,317 | 1,125,917 | - | 2,467,836 | 6,341,032 |
| \$ 235,540 | \$ 1,264,746 | \$ 2,597,589 | \$ 646,452 | \$ 5,849,497 | \$ 17,233,871 | \$ 739,736 | \$ 1,794,440 | \$ (15,909) | \$ 19,752,138 | \$ 25,601,635 |

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

| Revenues | | | | | | | |
|-------------------------------------|----------------------|-----------------------------------|--------------------------------------|---|--------------------------|-------------------|----------------------|
| | Taxes | Inter-Governmental Revenue | Fees and Charges for Services | Rents, Royalties and Concessions | Investment Income | Other | Total Revenue |
| Primary Government: | | | | | | | |
| General Government: | | | | | | | |
| Capital Equipment Reserve | \$ - | \$ - | \$ - | \$ - | \$ 275 | \$ 8,015 | \$ 8,280 |
| Mortgage Refund Residual | - | - | - | - | 2,428 | - | 2,428 |
| Franchise Fee | 19,183 | - | - | - | - | - | 19,183 |
| Economic Development | 59,126 | 5,000 | - | 70,864 | 4,032 | 2,000 | 141,121 |
| Lodger's Tax Fund | 7,881,258 | 7,314 | 3,050 | - | 24,117 | 84,031 | 7,895,771 |
| 400th Anniversary | - | - | - | - | - | - | - |
| Public Campaign | - | - | - | - | 2,103 | 8,720 | 8,823 |
| Santa Fe Business Incubator | - | - | - | - | 187 | - | 187 |
| 1/2% Gross Receipts Tax | 11,087,127 | - | - | - | 9,970 | - | 11,077,097 |
| Total General Government | 19,026,894 | 12,314 | 3,050 | 70,864 | 43,122 | 78,768 | 19,234,910 |
| Public Safety: | | | | | | | |
| Animal Services | - | - | 28,577 | - | 851 | - | 29,428 |
| Emergency Service Grants | 1,318,731 | 878,857 | - | - | 9,357 | - | 2,204,945 |
| Environmental Services | - | 132,022 | - | - | - | - | 132,022 |
| Law Enforcement Grants | 3,146,868 | 1,208,912 | 1,445,990 | - | 14,172 | 118,397 | 5,932,329 |
| Total Public Safety | 4,463,599 | 2,217,791 | 1,474,567 | - | 24,380 | 118,397 | 8,298,724 |
| Public Works: | | | | | | | |
| Resource Conservation | - | 185,320 | - | 18,200 | - | - | 203,520 |
| City Drainage Projects | - | - | 1,436,644 | - | 1,388 | - | 1,437,032 |
| Impact Fee Projects | - | - | 372,113 | - | 15,855 | - | 387,968 |
| Transportation Grants | - | 318,544 | - | - | 1,012 | - | 317,558 |
| Total Public Works | - | 501,864 | 1,807,757 | 18,200 | 18,265 | - | 2,346,078 |
| Community Development: | | | | | | | |
| Community Development Grant | - | 1,470,809 | 8,500 | - | 3,714 | 131,051 | 1,614,184 |
| Senior Citizen Grants | - | 1,188,009 | 75,941 | - | - | 9,900 | 1,273,850 |
| Total Community Development | - | 2,658,818 | 84,441 | - | 3,714 | 140,951 | 2,888,034 |
| Culture and Recreation: | | | | | | | |
| Historic Preservation Grant | - | 4,000 | 12,320 | - | 885 | - | 16,985 |
| Library | - | 217,339 | 2,919 | - | 2,801 | - | 223,159 |
| NEA Grants | - | - | - | - | - | - | - |
| Plaza Use | - | - | 32,735 | - | 382 | 3,680 | 36,777 |
| Public Facilities Purchase | - | - | - | - | 335 | - | 335 |
| Quality of Life Project | - | - | - | - | 1,414 | 500 | 1,914 |
| Recreation Grants | 31 | 27,389 | 85,685 | - | 4,608 | 7,468 | 125,181 |
| Land Development | - | - | - | - | 10,176 | - | 10,176 |
| Special Recreation Leagues | - | - | - | 58,820 | 798 | - | 60,718 |
| Total Culture and Recreation | 31 | 248,728 | 133,659 | 59,920 | 21,278 | 11,629 | 475,245 |
| Totals - June 30, 2012 | \$ 23,490,314 | \$ 6,639,615 | \$ 3,503,474 | \$ 149,084 | \$ 110,749 | \$ 349,753 | \$ 33,242,989 |

| Expenditures | | | | Other Financing Sources (Uses) | | | | Fund Balance | |
|---------------|----------------|--------------------|---|--------------------------------|--------------|-----------------|-----------------------------|-------------------|---------------|
| Current | Capital Outlay | Total Expenditures | Excess (Deficiency) of Revenues Over Expenditures | Sale of Capital Assets/Land | Transfers In | Transfers (Out) | Net change in Fund Balances | Beginning of Year | End of Year |
| \$ 14,203 | \$ 3,382 | \$ 17,585 | \$ (11,295) | \$ 30,239 | \$ - | \$ - | \$ 18,944 | \$ 8,718 | \$ 27,662 |
| - | - | - | 2,428 | - | - | - | 2,428 | 385,214 | 387,642 |
| 8,445 | - | 8,445 | 12,738 | - | - | (8,887) | 8,071 | 1,554 | 7,625 |
| 741,459 | 275 | 741,734 | (800,613) | 53,000 | 389,530 | (40,000) | (218,083) | 416,841 | 198,758 |
| 3,546,075 | 993 | 3,547,068 | 4,432,703 | - | 73,250 | (4,850,884) | (344,731) | 3,839,449 | 3,494,718 |
| 59 | - | 59 | (59) | - | - | - | (59) | 213 | 164 |
| 62,957 | - | 62,957 | (54,134) | - | 300,000 | - | 245,866 | 151,268 | 397,132 |
| - | - | - | 187 | - | - | - | 197 | 32,454 | 32,651 |
| - | - | - | 11,077,097 | - | - | (10,560,445) | 516,652 | 2,963,661 | 3,480,313 |
| 4,371,198 | 4,850 | 4,375,848 | 14,859,082 | 83,239 | 742,780 | (15,457,796) | 227,285 | 7,779,370 | 8,006,855 |
| 462 | - | 462 | 28,976 | - | - | - | 28,976 | 120,773 | 149,749 |
| 2,043,189 | 804,779 | 2,847,968 | (643,023) | - | 1,133,341 | (21,184) | 469,124 | 1,075,080 | 1,544,214 |
| 134,891 | - | 134,891 | (2,889) | - | - | - | (2,869) | (13,040) | (15,909) |
| 4,160,353 | 1,432,185 | 5,592,538 | 339,791 | 7,700 | 1,119,810 | (732,830) | 734,771 | 3,178,088 | 3,912,859 |
| 8,338,885 | 2,236,964 | 8,575,849 | (277,125) | 7,700 | 2,253,251 | (753,824) | 1,230,002 | 4,360,911 | 5,590,913 |
| 238,163 | - | 238,163 | (34,643) | - | - | (621) | (35,264) | 59,548 | 24,284 |
| 1,463,527 | 10,982 | 1,474,489 | (37,457) | - | - | - | (37,457) | 313,800 | 276,443 |
| 15,761 | - | 15,761 | 372,207 | - | - | (201,842) | 170,365 | 2,549,914 | 2,720,279 |
| 372,579 | 850 | 373,229 | (55,673) | - | 98,765 | (7,523) | 36,589 | 189,850 | 226,418 |
| 2,090,030 | 11,812 | 2,101,842 | 244,434 | - | 98,765 | (208,988) | 134,213 | 3,113,212 | 3,247,425 |
| 2,285,291 | - | 2,285,291 | (671,107) | - | 914,429 | - | 243,322 | 150,129 | 393,451 |
| 3,432,881 | 70,112 | 3,502,993 | (2,229,143) | - | 1,792,546 | (494) | (437,091) | 482,949 | 45,858 |
| 5,718,172 | 70,112 | 5,788,284 | (2,900,250) | - | 2,708,975 | (494) | (193,768) | 633,078 | 439,309 |
| 8,041 | - | 8,041 | 8,944 | - | - | - | 8,944 | 118,157 | 128,101 |
| 934,671 | 13,781 | 948,432 | (725,273) | - | 931,654 | - | 206,381 | 126,634 | 333,015 |
| 30,000 | - | 30,000 | (29,989) | - | 30,498 | - | 499 | (499) | - |
| 30,313 | - | 30,313 | 8,464 | - | - | - | 6,464 | 59,248 | 65,712 |
| - | - | - | 335 | - | - | - | 335 | 55,437 | 55,772 |
| 180,039 | 9,919 | 189,958 | (188,044) | - | 650,000 | (532,298) | (70,342) | 256,175 | 185,833 |
| 1,435,204 | 8,325 | 1,441,529 | (1,316,348) | - | 1,479,959 | (22,780) | 140,821 | 432,865 | 573,486 |
| 74,581 | - | 74,581 | (84,388) | - | 284,884 | - | 220,596 | 779,118 | 999,717 |
| 63,958 | 1,307 | 65,265 | (4,547) | - | - | - | (4,547) | 130,747 | 126,200 |
| 2,758,787 | 31,312 | 2,788,099 | (2,312,854) | - | 3,377,095 | (555,088) | 509,153 | 1,958,883 | 2,467,838 |
| \$ 21,275,072 | \$ 2,364,660 | \$ 23,629,722 | \$ 9,613,267 | \$ 90,939 | \$ 9,179,866 | \$ (16,977,188) | \$ 1,906,884 | \$ 17,845,264 | \$ 19,762,138 |

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

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

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

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

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

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

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

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

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

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

| | Budgeted Amounts | | | Variance With Final Budget- Positive (Negative) |
|--|------------------|--------------|--------------|--|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Taxes | \$ 7,811,084 | \$ 7,811,084 | \$ 7,881,259 | \$ 70,175 |
| Intergovernmental | 6,500 | 8,500 | 7,314 | (1,186) |
| Fees and charges for service | 500 | 500 | 3,050 | 2,550 |
| Investment income | 27,411 | 27,411 | 24,117 | (3,294) |
| Other | 76,500 | 76,500 | 64,031 | (12,469) |
| Total revenues | 7,921,995 | 7,923,995 | 7,979,771 | 55,776 |
| Expenditures: | | | | |
| General government: | | | | |
| Current | 3,681,730 | 3,787,321 | 3,546,075 | 241,246 |
| Capital outlay | 550 | 123,265 | 993 | 122,272 |
| Total expenditures | 3,682,280 | 3,910,586 | 3,547,068 | 363,518 |
| Excess (deficiency) of revenues over expenditures | 4,239,715 | 4,013,409 | 4,432,703 | 419,294 |
| Other financing sources (uses): | | | | |
| Transfers in | 62,250 | 73,250 | 73,250 | - |
| Transfers out | (4,850,187) | (4,850,684) | (4,850,684) | - |
| Total other financing sources (uses) | (4,787,937) | (4,777,434) | (4,777,434) | - |
| Net change in fund balance | (548,222) | (764,025) | (344,731) | 419,294 |
| Fund balance, beginning of year | 3,839,449 | 3,839,449 | 3,839,449 | - |
| Fund balance, end of year | \$ 3,291,227 | \$ 3,075,424 | \$ 3,494,718 | \$ 419,294 |

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
400th Anniversary
For the Year Ended June 30, 2012

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

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

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

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

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Special Revenue
1/2% Gross Receipts Tax
For the Year Ended June 30, 2012

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | Budgeted Amounts | | | Variance With Final Budget- Positive (Negative) |
|--|------------------|-----------|------------|--|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Investment income | \$ 2,278 | \$ 2,278 | \$ 1,414 | \$ (864) |
| Other | - | - | 500 | 500 |
| Total revenues | 2,278 | 2,278 | 1,914 | (364) |
| Expenditures: | | | | |
| Culture and recreation: | | | | |
| Current | 262,989 | 283,333 | 180,039 | 103,294 |
| Capital outlay | - | 10,000 | 9,919 | 81 |
| Total expenditures | 262,989 | 293,333 | 189,958 | 103,375 |
| Excess (deficiency) of revenues over expenditures | (260,711) | (291,055) | (188,044) | 103,011 |
| Other financing sources (uses): | | | | |
| Transfers in | 650,000 | 627,608 | 650,000 | 22,392 |
| Transfers out | (532,298) | (532,298) | (532,298) | - |
| Total other financing sources (uses) | 117,702 | 95,310 | 117,702 | 22,392 |
| Net change in fund balance | (143,009) | (195,745) | (70,342) | 125,403 |
| Fund balance, beginning of year | 256,175 | 256,175 | 256,175 | - |
| Fund balance, end of year | \$ 113,166 | \$ 60,430 | \$ 185,833 | \$ 125,403 |

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

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

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

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

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

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

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Nonmajor Governmental Funds

Capital Projects Funds

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

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

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

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

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

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

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

Landfill Projects – to account for the Ortiz landfill improvements.

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

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

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

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

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

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

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

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

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

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

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

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

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

Major Governmental Funds Capital Projects Funds

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

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

| Assets | | | | | | | |
|-------------------------------------|---|---------------------------|------------------------------|--------------------------------|-------------------------|-----------------------------|--------------------------------------|
| | Cash, Investments and Cash Equivalents | Tax Receivable | Grants Receivable | Interest Receivable | Total Assets | Accounts Payable | Accrued Wages Payable |
| General Government: | | | | | | | |
| CIP Reallocation | \$ 168,314 | \$ - | \$ - | \$ 17,490 | \$ 175,804 | \$ - | \$ - |
| Resource Conservation | 220,264 | - | - | - | 220,264 | - | - |
| Building Renovations | 2,478,653 | - | 53,635 | - | 2,532,188 | 212,337 | 627 |
| Special Projects | - | - | - | - | - | 3,871 | - |
| Total General Government | 2,857,131 | - | 53,635 | 17,490 | 2,928,256 | 216,208 | 627 |
| Public Works: | | | | | | | |
| Bond Acquisition | 79,494 | - | - | - | 79,494 | - | - |
| City Drainage Projects | 167,978 | - | 134,387 | - | 302,343 | - | - |
| Landfill Projects | 1 | - | - | - | 1 | - | - |
| City Paving Projects | 8,195,083 | 105,413 | 59,588 | 2,141 | 8,362,203 | 28,514 | 11,946 |
| Santa Fe River Channel | 53,541 | - | - | - | 53,541 | 8,430 | - |
| City Signalization Projects | 880,636 | - | - | - | 880,636 | 3,609 | - |
| City Street Const. Projects | 2,801,514 | - | 578,251 | - | 3,179,765 | 80,622 | - |
| City Sidewalk Projects | 861,455 | - | - | - | 861,455 | 24,650 | 399 |
| Zia Road Street Lighting | 255,582 | - | - | - | 255,582 | - | - |
| Total Public Works | 13,095,282 | 105,413 | 772,184 | 2,141 | 13,975,020 | 126,725 | 12,345 |
| Community Development: | | | | | | | |
| Affordable Housing Program | 933,271 | - | - | - | 933,271 | - | - |
| Public Care Facilities | 2,128,142 | - | - | - | 2,128,142 | 4,808 | 617 |
| Total Community Development | 3,061,413 | - | - | - | 3,061,413 | 4,808 | 617 |
| Culture and Recreation: | | | | | | | |
| Art for CIP Projects | 554,662 | - | - | - | 554,662 | 1,736 | - |
| Museums | 1,624 | - | - | - | 1,624 | - | - |
| City Parks Improvements | 10,322,445 | - | 16,876 | 10,084 | 10,349,405 | 474,355 | 29,967 |
| Open Space Acquisition | 478,827 | - | - | - | 478,827 | 17,266 | - |
| Library Improvements | 1,086 | - | - | - | 1,086 | - | - |
| Total Culture and Recreation | 11,356,644 | - | 16,876 | 10,084 | 11,383,604 | 493,357 | 29,967 |
| Totals - June 30, 2012 | \$ 30,370,470 | \$ 105,413 | \$ 842,695 | \$ 29,715 | \$ 31,348,293 | \$ 841,098 | \$ 43,566 |

| Liabilities | | | | Fund Balance Spendable | | | | Total Liabilities and Fund Balances |
|-----------------------|---------------------|----------------------|----------------------|------------------------|--------------|--------------|---------------------------|--|
| Due to Other Funds | Deferred Revenue | Deposits/ Escrows | Total Liabilities | Restricted | Assigned | Unassigned | Total Fund Balances | |
| \$ - | \$ - | \$ - | - | \$ - | \$ 175,804 | \$ - | \$ 175,804 | \$ 175,804 |
| - | - | - | - | - | 220,264 | - | 220,264 | 220,284 |
| - | - | - | 212,964 | 2,319,224 | - | - | 2,319,224 | 2,532,188 |
| 362,817 | - | - | 366,488 | - | - | (366,488) | (366,488) | - |
| 362,817 | - | - | 579,452 | 2,319,224 | 396,068 | (366,488) | 2,348,804 | 2,928,256 |
| - | - | - | - | - | 79,494 | - | 79,494 | 79,494 |
| - | - | - | - | - | 302,343 | - | 302,343 | 302,343 |
| - | - | - | - | - | 1 | - | 1 | 1 |
| - | - | - | 41,460 | 8,320,743 | - | - | 8,320,743 | 8,362,203 |
| - | 10,758 | - | 19,188 | - | 34,353 | - | 34,353 | 53,541 |
| - | - | - | 3,509 | - | 877,127 | - | 877,127 | 880,636 |
| - | - | 100,000 | 160,622 | 3,018,143 | - | - | 3,019,143 | 3,179,765 |
| - | - | - | 25,049 | - | 836,408 | - | 836,406 | 861,455 |
| - | - | - | - | - | 255,582 | - | 255,582 | 255,582 |
| - | 10,758 | 100,000 | 249,828 | 11,339,886 | 2,385,306 | - | 13,725,192 | 13,975,020 |
| - | - | - | - | - | 933,271 | - | 933,271 | 933,271 |
| - | - | - | 5,425 | 2,122,717 | - | - | 2,122,717 | 2,128,142 |
| - | - | - | 5,425 | 2,122,717 | 933,271 | - | 3,055,988 | 3,061,413 |
| - | - | - | 1,736 | - | 562,926 | - | 552,926 | 554,662 |
| - | - | - | - | - | 1,624 | - | 1,624 | 1,624 |
| - | - | - | 504,322 | 9,845,083 | - | - | 9,845,083 | 10,349,405 |
| - | - | - | 17,266 | 459,561 | - | - | 459,561 | 478,827 |
| - | - | - | - | - | 1,086 | - | 1,086 | 1,086 |
| - | - | - | 523,324 | 10,304,644 | 555,636 | - | 10,860,280 | 11,383,604 |
| \$ 362,817 | \$ 10,768 | \$ 100,000 | \$ 1,358,029 | \$ 26,086,471 | \$ 4,270,281 | \$ (366,488) | \$ 29,990,264 | \$ 31,348,293 |

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

| | Revenues | | | | Expenditures | | |
|------------------------------|--------------|------------------------|----------------------|-------------------|-------------------|--------------|-------------------|
| | Taxes | Intergov- ernmental | Investment Income | Other Revenues | Total Revenues | Current | Capital Outlay |
| General Government: | | | | | | | |
| CIP Reallocation | \$ - | \$ - | \$ 62,124 | \$ - | \$ 62,124 | \$ 7,031 | \$ - |
| Resource Conservation | - | - | - | - | - | - | - |
| Building Renovations | - | 81,518 | - | 4,575 | 86,094 | 89,944 | 933,756 |
| Special Projects | - | - | - | - | - | 90,567 | - |
| Total General Government | - | 81,518 | 62,124 | 4,575 | 148,218 | 187,542 | 933,756 |
| Public Works: | | | | | | | |
| Bond Acquisition | - | - | - | - | - | - | - |
| City Drainage Projects | - | 207,587 | - | - | 207,587 | - | 207,587 |
| Landfill Projects | - | - | - | - | - | - | - |
| City Paving Projects | 1,419,199 | 59,586 | 9,316 | - | 1,488,081 | 1,099,442 | 216,872 |
| Santa Fe River Channel | - | 76,753 | - | - | 76,753 | - | 95,841 |
| City Signalization Projects | - | - | - | 4,270 | 4,270 | 177 | 28,665 |
| City Street Const. Projects | - | 5,410,278 | - | 47,775 | 5,458,053 | 105,032 | 8,176,501 |
| City Sidewalk Projects | - | 142,834 | - | - | 142,834 | 1,166 | 376,501 |
| Zia Road Street Lighting | - | - | - | - | - | - | 10,228 |
| Total Public Works | 1,419,199 | 5,698,998 | 9,316 | 52,045 | 7,377,558 | 1,205,817 | 7,112,275 |
| Community Development: | | | | | | | |
| Affordable Housing Program | - | - | - | - | - | - | - |
| Public Care Facilities | - | 92,838 | - | - | 92,838 | 9,813 | 327,892 |
| Total Community Development | - | 92,838 | - | - | 92,838 | 9,813 | 327,892 |
| Culture and Recreation: | | | | | | | |
| Art for CIP Projects | - | - | - | - | - | 151,098 | - |
| Museums | - | - | - | 1 | 1 | - | - |
| City Parks Improvements | - | 16,876 | 43,006 | 600 | 60,482 | 729,021 | 6,613,446 |
| Open Space Acquisition | - | 193,955 | - | - | 193,955 | - | 399,557 |
| Library Improvements | - | - | - | - | - | 468 | 3,920 |
| Total Culture and Recreation | - | 210,831 | 43,006 | 601 | 254,438 | 880,587 | 7,016,923 |
| Totals - June 30, 2012 | \$ 1,419,199 | \$ 6,282,186 | \$ 114,446 | \$ 57,221 | \$ 7,873,052 | \$ 2,283,759 | \$ 15,390,846 |

| Other Financing Sources (Uses) | | | | | Fund Balances | |
|--------------------------------|---|---------------|-----------------|------------------------------|-------------------|---------------|
| Total Expenditures | Excess (Deficiency) of Revenues Over Expenditures | Transfers In | Transfers (Out) | Net Changes In Fund Balances | Beginning of year | End of Year |
| \$ 7,031 | \$ 55,093 | \$ - | \$ (387,501) | \$ (332,408) | \$ 508,212 | \$ 175,804 |
| 1,023,700 | (937,606) | 200,000 | - | 200,000 | 20,264 | 220,264 |
| 90,567 | (90,567) | 2,562,046 | (33,100) | 1,591,340 | 727,884 | 2,319,224 |
| | | 123,931 | - | 33,364 | (399,852) | (266,488) |
| 1,121,298 | (973,080) | 2,885,977 | (420,601) | 1,492,296 | 856,508 | 2,348,804 |
| | | | | | | |
| 207,567 | - | 300,000 | - | 300,000 | 78,494 | 78,494 |
| 1,316,314 | 171,767 | 6,513,574 | - | 6,685,341 | 2,343 | 302,343 |
| 95,941 | (19,188) | - | - | (19,188) | 1 | 1 |
| 28,842 | (24,572) | 700,650 | - | 676,078 | 1,635,402 | 8,320,743 |
| 6,281,533 | (823,480) | 1,610,000 | (25,194) | 781,326 | 53,541 | 34,353 |
| 377,567 | (234,833) | 800,000 | - | 565,167 | 201,049 | 877,127 |
| 10,228 | (10,228) | 120,000 | - | 109,772 | 2,257,817 | 3,019,143 |
| 8,318,392 | (940,534) | 10,244,224 | (225,194) | 9,078,496 | 271,239 | 836,406 |
| | | | | | 145,810 | 255,582 |
| | | | | | | |
| 337,705 | - | 800,000 | - | 800,000 | 4,646,696 | 13,725,192 |
| | (244,867) | 1,300,000 | - | 1,055,133 | 133,271 | 933,271 |
| 337,705 | (244,867) | 2,100,000 | - | 1,855,133 | 1,067,584 | 2,122,717 |
| | | | | | | |
| 151,098 | (151,098) | 400,000 | - | 248,902 | 1,200,855 | 3,055,988 |
| - | 1 | - | - | 1 | | |
| 7,342,467 | (7,281,985) | 15,835,883 | (2,012,385) | 6,541,513 | 304,024 | 552,926 |
| 399,557 | (205,602) | - | - | (205,602) | 1,623 | 1,624 |
| 4,988 | (4,388) | - | - | (4,388) | 3,303,570 | 9,845,083 |
| | | | | | 665,163 | 459,561 |
| 7,897,510 | (7,643,072) | 16,235,883 | (2,012,385) | 6,580,426 | 5,474 | 1,085 |
| \$ 17,674,605 | \$ (9,801,553) | \$ 31,406,084 | \$ (2,656,180) | \$ 19,005,351 | \$ 10,983,913 | \$ 29,990,264 |

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
CIP Reallocation Fund
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Resource Conservation
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Building Renovations
For the Year Ended June 30, 2012

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

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

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Bond Acquisition
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Drainage Projects
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Capital Projects Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Landfill Projects
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Paving Projects
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Santa Fe River Channel
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Signalization Projects
For the Year Ended June 30, 2012

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|-----------|----------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Other revenue | \$ - | \$ 4,270 | \$ 4,270 | \$ - |
| Total revenues | | 4,270 | 4,270 | - |
| Expenditures: | | | | |
| Public works: | | | | |
| Current | - | 6,120 | 177 | 5,943 |
| Capital outlay | | 822,360 | 28,665 | 793,695 |
| Total expenditures | - | 828,480 | 28,842 | 799,638 |
| Excess (deficiency) of revenues over expenditures | - | (824,210) | (24,572) | 799,638 |
| Other financing sources (uses): | | | | |
| Transfers in | - | 700,650 | 700,650 | - |
| Total other financing sources (uses) | - | 700,650 | 700,650 | - |
| Net change in fund balance | - | (123,560) | 676,078 | 799,638 |
| Fund balance, beginning of year | 201,049 | 201,049 | 201,049 | - |
| Fund balance, end of year | \$ 201,049 | \$ 77,489 | \$ 877,127 | \$ 799,638 |

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Street Construction Projects
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Sidewalk Projects
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Zia Road Street Lighting
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Affordable Housing Program
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Public Core Facilities
For the Year Ended June 30, 2012

| | Budgeted Amounts | | Actual Amounts | | Variance with Final Budget- Positive (Negative) |
|--|------------------|-------------|----------------|----|--|
| | Original | Final | | | |
| Revenues: | | | | | |
| Intergovernmental | \$ - | \$ 360,345 | \$ 92,838 | \$ | (267,507) |
| Total revenues | - | 360,345 | 92,838 | | (267,507) |
| Expenditures: | | | | | |
| Community welfare: | | | | | |
| Current | - | 95,000 | 9,813 | | 85,187 |
| Capital outlay | - | 2,616,174 | 327,892 | | 2,288,282 |
| Total expenditures | - | 2,711,174 | 337,705 | | 2,373,469 |
| Excess (deficiency) of revenues over expenditures | - | (2,350,829) | (244,867) | | 2,105,962 |
| Other financing sources (uses): | | | | | |
| Transfers in | - | 1,300,000 | 1,300,000 | | - |
| Total other financing sources (uses) | | 1,300,000 | 1,300,000 | | - |
| Net change in fund balance | | (1,050,829) | 1,055,133 | | 2,105,962 |
| Fund balance, beginning of year | 1,067,584 | 1,067,584 | 1,067,584 | | - |
| Fund balance, end of year | \$ 1,067,584 | \$ 16,755 | \$ 2,122,717 | \$ | 2,105,962 |

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Art for CIP Projects
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Museums
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
City Parks Improvements
For the Year Ended June 30, 2012

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|--------------|----------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 271,726 | \$ 16,876 | \$ (254,850) |
| Interest on investments | 51,116 | 47,116 | 43,006 | (4,110) |
| Other revenue | - | - | 600 | 600 |
| Total revenues | 51,116 | 318,842 | 60,482 | (258,360) |
| Expenditures: | | | | |
| Culture and recreation: | | | | |
| Current | - | 3,850,907 | 729,021 | 3,121,886 |
| Capital outlay | - | 13,974,812 | 6,613,446 | 7,361,366 |
| Total expenditures | - | 17,825,719 | 7,342,467 | 10,483,252 |
| Excess (deficiency) of revenues over expenditures | 51,116 | (17,506,877) | (7,281,985) | 10,224,892 |
| Other financing sources (uses): | | | | |
| Transfers in | - | 15,835,883 | 15,835,883 | - |
| Transfers out | - | (2,012,385) | (2,012,385) | - |
| Total other financing sources (uses) | - | 13,823,498 | 13,823,498 | - |
| Net change in fund balance | 51,116 | (3,683,379) | 6,541,513 | 10,224,892 |
| Fund balance, beginning of year | 3,303,570 | 3,303,570 | 3,303,570 | - |
| Fund balance, end of year | \$ 3,354,686 | \$ (379,809) | \$ 9,845,083 | \$ 10,224,892 |

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Open Space Acquisition
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
Capital Projects
Library Improvements
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Major Governmental Fund
Capital Projects
1/2 % Gross Receipts Tax
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2012

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|--|------------------|---------------|----------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 14,053,519 | \$ 14,053,519 | \$ 14,814,638 | \$ 761,119 |
| Investment income | 61,612 | - | - | - |
| Other revenue | - | 300 | 349 | 49 |
| Total revenues | 14,115,131 | 14,053,819 | 14,814,987 | 761,168 |
| Expenditures: | | | | |
| General government: | | | | |
| Current | 2,702,282 | 2,852,790 | 2,437,698 | 415,092 |
| Capital outlay | 137,000 | 92,202 | 99,035 | (6,833) |
| Total expenditures | 2,839,282 | 2,944,992 | 2,536,733 | 408,259 |
| Excess (deficiency) of revenues over expenditures | 11,275,849 | 11,108,827 | 12,278,254 | 1,169,427 |
| Other financing sources (uses): | | | | |
| Transfers in | 4,422,000 | 4,329,386 | 1,229,386 | (3,100,000) |
| Transfers out | (14,375,737) | (14,973,619) | (14,973,619) | - |
| Total other financing sources (uses) | (9,953,737) | (10,644,233) | (13,744,233) | (3,100,000) |
| Net change in fund balance | 1,322,112 | 464,594 | (1,465,979) | (1,930,573) |
| Fund balance, beginning of year | 12,659,696 | 12,659,696 | 12,659,696 | - |
| Fund balance, end of year | \$ 13,981,808 | \$ 13,124,290 | \$ 11,193,717 | \$ (1,930,573) |

Major Governmental Fund
Debt Service Fund
Budget vs Actual

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

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CITY OF SANTA FE, NEW MEXICO
Major Governmental Fund
Debt Service Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2012

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

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

| | General Obligation 2008 Debt Service | General Obligation 2010 Debt Service | GRT 2002 Debt Service | GRT 2004A Debt Service | GRT Refunding 2004B Debt Service | GRT 2006 Debt Service | GRT 2008 GP Debt Service |
|--|--|---|--------------------------|---------------------------|--|--------------------------|-----------------------------|
| Assets | | | | | | | |
| Cash and Investments | \$ 871,600 | \$ 451,523 | \$ 2,020 | \$ 48,347 | \$ 88 | \$ 372 | \$ 428 |
| Restricted cash, cash equivalents and investments: | | | | | | | |
| Restricted for debt service payments | 1,826,880 | 947,951 | - | 2,151 | - | 129,095 | 109,614 |
| Receivables | | | | | | | |
| Property taxes | 15,375 | 7,964 | - | - | - | - | - |
| Interest | 4,140 | 2,145 | 4 | 175 | - | 349 | 301 |
| Total Assets | \$ 2,721,001 | \$ 1,409,583 | \$ 2,032 | \$ 50,673 | \$ 88 | \$ 129,816 | \$ 110,343 |
| Liabilities and Fund Balances | | | | | | | |
| Liabilities: | | | | | | | |
| Vouchers payable | - | - | - | - | - | - | - |
| Other current liabilities | - | - | - | - | - | - | - |
| Total Liabilities | - | - | - | - | - | - | - |
| Fund balances: | | | | | | | |
| Fund balance: | | | | | | | |
| Reserve, designated for, reported in: | | | | | | | |
| Debt service | 2,329,882 | 1,049,500 | 2,032 | 50,673 | 88 | 129,816 | 110,343 |
| Capital projects | 391,119 | 360,083 | - | - | - | - | - |
| Total Fund Balances | 2,721,001 | 1,409,583 | 2,032 | 50,673 | 88 | 129,816 | 110,343 |
| Total liabilities and fund balances | \$ 2,721,001 | \$ 1,409,583 | \$ 2,032 | \$ 50,673 | \$ 88 | \$ 129,816 | \$ 110,343 |

| GRT Refunding 2008B Debt Service | GRT Refunding 2010A Debt Service | GRTCP & Ref. 2012A Debt Service | NMFA-Fire Department Debt Service | HUD Section 108 Loan Debt Service | NMFA-Parking Loan Debt Service | NMFA-Land Acquisition Debt Service | TOTAL | |
|--|--|---------------------------------------|---|---|--------------------------------------|--|--------------|--|
| \$ 78,410 | \$ 1,134 | \$ 42,503 | \$ 189,208 | \$ 120 | \$ 9 | \$ 136 | \$ 1,883,608 | Assets |
| - | 517,717 | 122,377 | 117,214 | 41,954 | 3 | 1 | 3,817,873 | Cash and Investments |
| - | - | - | - | - | - | - | - | Restricted cash, cash equivalents and investments: |
| - | - | - | - | - | - | - | - | Restricted for debt service payments |
| 4,025 | 499 | 14,645 | 260 | - | 275 | 51 | 23,339 | Receivables |
| - | - | - | - | - | - | - | 28,912 | Property taxes |
| - | - | - | - | - | - | - | - | Interest |
| \$ 80,435 | \$ 519,350 | \$ 179,528 | \$ 306,662 | \$ 42,084 | \$ 287 | \$ 228 | \$ 5,552,130 | Total Assets |
| - | - | - | - | 30 | - | - | 30 | Liabilities and Fund Balances |
| - | - | - | - | 40,000 | - | - | 40,000 | Liabilities |
| - | - | - | - | - | - | - | - | Vouchers payable |
| - | - | - | - | - | - | - | - | Other current liabilities |
| - | - | - | - | 40,030 | - | - | 40,030 | Total Liabilities |
| 80,435 | 519,350 | 179,528 | 306,662 | 2,054 | 287 | 228 | 4,760,898 | Fund balances |
| - | - | - | - | - | - | - | 751,202 | Fund balance |
| - | - | - | - | - | - | - | - | Reserve, designated for, reported in: |
| - | - | - | - | - | - | - | - | Debt service |
| - | - | - | - | - | - | - | - | Capital projects |
| 80,435 | 519,350 | 179,528 | 306,662 | 2,054 | 287 | 228 | 5,512,100 | Total Fund Balances |
| \$ 80,435 | \$ 519,350 | \$ 179,528 | \$ 306,662 | \$ 42,084 | \$ 287 | \$ 228 | \$ 5,552,130 | Total Liabilities and Fund balances |

CITY OF SANTA FE, NEW MEXICO
Major Governmental Fund
Debt Service Fund
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2012

| | General Obligation 2008 Debt Service | General Obligation 2010 Debt Service | GRT 2002 Debt Service | GRT 2004A Debt Service | GRT Refunding 2004B Debt Service | GRT 2006 Debt Service | GRT 2006 OP Debt Service |
|--|---|--|--------------------------|---------------------------|--|--------------------------|-----------------------------|
| REVENUES: | | | | | | | |
| Taxes | | | | | | | |
| Property | \$ 1,196,272 | \$ 1,445,252 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investment Income | 26,651 | 13,910 | (207) | 628 | (509) | 1,370 | 982 |
| Reimbursements/Refunds | - | - | - | - | - | - | - |
| Gain on Sale - Investments | - | - | (2) | (78) | - | (156) | - |
| Total Revenues | 1,223,123 | 1,459,162 | (209) | 550 | (509) | 1,214 | 982 |
| EXPENDITURES: | | | | | | | |
| Debt service: | | | | | | | |
| Principal payments | 775,000 | 465,000 | - | 14,390,000 | - | 190,000 | - |
| Interest and fiscal agent fees | 783,268 | 336,199 | 2,902 | 1,239,548 | - | 734,560 | 1,042,381 |
| Bond Issuance Costs | - | - | - | - | - | - | - |
| Total Expenditures | 1,558,268 | 801,199 | 2,902 | 15,629,548 | - | 924,560 | 1,042,381 |
| Excess (deficiency) of revenues over expenditures | (335,145) | 657,963 | (3,111) | (15,628,998) | (509) | (923,346) | (1,041,409) |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Operating Transfers In | 610,111 | 1,503,731 | - | 15,945,164 | 2,949 | 881,793 | 1,070,034 |
| Operating Transfers Out | (1,851,245) | (11,443,648) | (6,912) | (316,839) | (6,912) | (6,912) | (6,912) |
| Other Sources | - | - | - | - | - | - | - |
| Other Uses | - | - | - | - | - | - | - |
| Issuance of Bonds | - | - | - | - | - | - | - |
| Bonds Proceeds | - | - | - | - | - | - | - |
| Bond Premiums | - | - | - | - | - | - | - |
| Total other financing sources (uses) | (1,241,134) | (9,939,917) | (6,912) | 15,628,325 | (3,963) | 874,881 | 1,063,122 |
| Net change in fund balance | (1,376,279) | (9,281,954) | (10,023) | (2,673) | (4,472) | 51,535 | 21,713 |
| Fund balance, beginning of year | 4,297,260 | 10,691,537 | 12,055 | 55,345 | 4,561 | 78,282 | 88,630 |
| Fund balance, end of year | \$ 2,721,001 | \$ 1,409,583 | \$ 2,032 | \$ 50,672 | \$ 89 | \$ 129,817 | \$ 110,343 |

| GRT Refunding 2008B Debt Service | GRT Refunding 2010A Debt Service | GRT Refunding/ OP 2012A Debt Service | NMFA-Fire Department Debt Service | HUD Section 108 Loan Debt Service | NMFA-Parking Loan Debt Service | NMFA-Land Acquisition Debt Service | TOTAL | |
|-------------------------------------|--|---|---|---|--------------------------------------|--|--------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,841,524 | REVENUES: |
| 18,688 | 1,891 | 52,274 | 1,807 | 6 | 591 | 345 | 116,027 | Taxes |
| - | 28,039 | - | - | - | - | - | 28,039 | Property |
| - | - | - | (113) | - | (124) | (41) | (514) | Investment Income |
| - | - | - | - | - | - | - | - | Reimbursements/Refunds |
| - | - | - | - | - | - | - | - | Gain on Sale - Investments |
| 18,688 | 29,930 | 52,274 | 1,694 | 6 | 467 | 304 | 2,787,576 | Total Revenue |
| 7,060,000 | - | - | 154,009 | 18,000 | 347,049 | 139,830 | 23,538,688 | EXPENDITURES: |
| 285,936 | 623,467 | 368,255 | 8,508 | 13,116 | 627,246 | 136,301 | 6,202,697 | Debt service: |
| - | - | 401,987 | - | - | - | - | 401,987 | Principal payments |
| - | - | - | - | - | - | - | - | Interest and fiscal agent fees |
| - | - | - | - | - | - | - | - | Bond Issuance Costs |
| 7,345,936 | 623,467 | 770,242 | 163,517 | 31,116 | 974,295 | 275,931 | 30,143,372 | Total Expenditures |
| (7,327,248) | (593,537) | (717,968) | (161,823) | (31,110) | (973,828) | (275,627) | (27,355,696) | Excess (deficiency) of revenues over expenditures |
| 7,345,569 | 1,060,550 | 490,218 | - | - | 977,045 | 279,581 | 30,266,746 | OTHER FINANCING SOURCES (USES) |
| (575,718) | - | (37,310,501) | - | (15,800) | (5,912) | (6,912) | (51,557,023) | Operating Transfers In |
| - | - | - | - | 30,973 | - | - | 30,973 | Operating Transfers Out |
| - | - | - | - | - | - | - | - | Other Sources |
| - | - | - | - | - | - | - | - | Other Uses |
| - | - | 32,725,000 | - | - | - | - | 32,725,000 | Issuance of Bonds |
| - | - | 4,992,779 | - | - | - | - | 4,992,779 | Bonds Proceeds |
| - | - | - | - | - | - | - | - | Bond Premiums |
| 6,769,851 | 1,060,550 | 897,499 | - | 15,373 | 970,133 | 272,669 | 16,458,474 | Total other financing sources (uses) |
| (557,397) | 467,013 | 179,528 | (161,823) | (15,737) | (3,695) | (2,958) | (10,897,222) | Net change in fund balance |
| 637,832 | 62,337 | - | 468,705 | 17,792 | 3,781 | 3,185 | 16,409,322 | Fund balance, beginning of year |
| \$ 80,435 | \$ 519,350 | \$ 179,528 | \$ 306,882 | \$ 2,055 | \$ 88 | \$ 227 | \$ 5,512,100 | Fund balance, end of year |

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Nonmajor Enterprise Funds

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

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

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

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

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

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

Major Enterprise Funds Budget vs Actual

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

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

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

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

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

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

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

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

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

| Airport | GCCC | Totals |
|---------------|---------------|---------------|
| \$ 1,053 | \$ 1,818,199 | \$ 4,549,979 |
| 143,109 | 53,314 | 2,650,622 |
| - | - | 275,566 |
| 1 | 2,052 | 3,806 |
| 144,163 | 1,873,565 | 7,479,973 |
| - | - | 245,788 |
| 129,711 | 2,072,067 | 4,451,778 |
| 5,186,017 | 23,306,768 | 56,889,259 |
| - | 29,820 | 29,820 |
| 16,785,215 | 198,423 | 32,693,819 |
| - | 37,525 | 72,322 |
| 971,118 | 527,968 | 4,362,543 |
| 596,733 | 45,551 | 12,419,483 |
| 2,174 | 121,126 | 1,087,516 |
| - | - | 180,971 |
| 3,139,672 | 1,347,275 | 4,861,983 |
| (10,490,095) | (6,860,724) | (45,843,390) |
| 16,320,545 | 20,825,799 | 71,206,104 |
| 16,320,545 | 20,825,799 | 71,451,892 |
| \$ 16,464,708 | \$ 22,699,364 | \$ 78,931,865 |
| \$ 47,114 | \$ 138,002 | \$ 600,060 |
| - | 8,620 | 31,009 |
| 18,405 | 45,558 | 206,463 |
| - | - | 882,286 |
| - | - | 36,319 |
| - | 16,721 | 38,364 |
| - | - | 735,047 |
| 65,519 | 208,901 | 2,529,548 |
| - | - | 9,355,139 |
| 95,925 | 170,854 | 902,167 |
| 95,925 | 170,854 | 10,257,306 |
| 161,444 | 379,755 | 12,786,854 |
| 14,941,322 | 21,853,419 | 61,605,334 |
| 1,361,942 | 466,190 | 4,539,677 |
| \$ 16,303,264 | \$ 22,319,609 | \$ 66,145,011 |

Current assets:

Cash, investments and cash equivalents

Grants receivable

Receivable (net of allowances)

Accounts

Interest receivable

Total current assets

Noncurrent assets:

Deferred Charges (net of amortization)

Capital assets:

Land and land rights

Buildings and systems

Utility Systems

Improvements

Furniture and fixtures

Equipment and machinery

Vehicles

Data processing equipment and software

Art

Construction in progress

Less accumulated depreciation

Total capital assets (net of accumulated depreciation)

Total noncurrent assets

Total assets

Liabilities

Current liabilities:

Accounts payable

Miscellaneous payable

Accrued wages payable

Bonds payable net of amortization

Interest payable

Deposits and escrows

Due to other funds

Total current liabilities

Noncurrent liabilities

Bonds payable net of amortization

Compensated absences payable

Total noncurrent liabilities

Total liabilities

Net assets

Invested in capital assets, net of related debt

Unrestricted

Total net assets

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

| | Municipal Recreation Complex | Parking Enterprise Fund | Transit Bus System |
|---|---|--|-----------------------------------|
| Operating revenues: | | | |
| User fees | \$ 1,028,257 | \$ 4,020,568 | \$ 1,276,942 |
| Other revenue | 90,312 | 607,015 | 127,322 |
| Total operating revenues | 1,118,569 | 4,627,583 | 1,404,264 |
| Operating expenses: | | | |
| Salaries, wages and benefits | 480,032 | 2,762,501 | 5,528,398 |
| Contractual services and utilities | 334,818 | 383,968 | 179,116 |
| Repairs and maintenance | 17,718 | 83,040 | 475,365 |
| Supplies | 37,337 | 181,467 | 580,689 |
| Capital outlay-inventory exempt items | 80,658 | 10,571 | 4,878 |
| Depreciation expense | 126,060 | 499,372 | 1,006,411 |
| Amortization expense | 19,670 | - | - |
| Insurance | 31,969 | 117,944 | 213,524 |
| Bad debt expense | - | (5,362) | - |
| Other | 204,023 | 890,076 | 731,129 |
| Total operating expenses | 1,332,283 | 4,923,577 | 8,719,510 |
| Operating income (loss) | (213,714) | (295,994) | (7,315,246) |
| Non-operating revenues (expenses): | | | |
| Investment income | 496 | 5,774 | 3,374 |
| Intergovernmental | | | |
| Grants | - | - | 1,837,267 |
| Gain (Loss) on sale of capital assets | 280 | - | 5,973 |
| Interest expense | (466,078) | - | - |
| Prem/(Discount) debt service interest | 17,286 | - | - |
| Other non-operating (expenses)/income | (56) | (517) | (213) |
| Total non-operating revenues (expenses) | (448,072) | 5,257 | 1,846,401 |
| Income (loss) before transfers | (661,786) | (290,737) | (5,468,846) |
| Transfers in | 1,142,574 | - | 8,033,467 |
| Transfers out | (43,115) | - | - |
| Change in net assets | 437,673 | (290,737) | 2,564,622 |
| Net assets, beginning of year | (5,780,144) | 17,486,821 | 13,103,903 |
| Net assets, beginning of year (restated) | (5,780,144) | 17,486,821 | 13,103,903 |
| Net assets, end of year | \$ (5,342,471) | \$ 17,196,084 | \$ 15,668,525 |

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

| Airport | | GCCC | | Totals | | |
|---------|-------------|------|-------------|--------|--------------|--|
| \$ | 773,140 | \$ | 1,594,480 | \$ | 8,693,387 | Operating revenues: |
| | 247,190 | | 274,556 | | 1,346,395 | User fees |
| | 1,020,330 | | 1,869,036 | | 10,039,782 | Other revenue |
| | | | | | | Total operating revenues |
| | 964,485 | | 2,519,154 | | 12,254,570 | Operating expenses: |
| | 170,955 | | 758,999 | | 1,827,856 | Salaries, wages and benefits |
| | 13,928 | | 87,308 | | 657,357 | Contractual services and utilities |
| | 23,458 | | 193,060 | | 1,016,011 | Repairs and maintenance |
| | 309,191 | | 125,862 | | 531,158 | Supplies |
| | 1,359,522 | | 500,966 | | 3,492,331 | Capital outlay-inventory exempt items |
| | - | | - | | 19,670 | Depreciation expense |
| | 31,571 | | 227,012 | | 622,020 | Amortization expense |
| | - | | - | | (5,362) | Insurance |
| | 93,464 | | 159,089 | | 2,077,781 | Bad debt expense |
| | | | | | | Other |
| | 2,966,572 | | 4,551,450 | | 22,493,392 | Total operating expenses |
| | (1,946,242) | | (2,682,414) | | (12,453,610) | Operating income (loss) |
| | (125) | | 9,253 | | 18,772 | Non-operating revenues (expenses): |
| | 3,284,358 | | 75,367 | | 5,196,990 | Investment income |
| | 6,355 | | 1,656 | | 14,264 | Intergovernmental |
| | - | | (242) | | (466,320) | Grants |
| | - | | - | | 17,286 | Gain (Loss) on sale of capital assets |
| | - | | (921) | | (1,707) | Interest expense |
| | | | | | | Prem/(Discount) debt service interest |
| | | | | | | Other non-operating (expenses) / income |
| | 3,290,588 | | 85,113 | | 4,779,285 | Total non-operating revenues (expenses) |
| | 1,344,344 | | (2,597,301) | | (7,674,325) | Income (loss) before transfers |
| | 84,218 | | 3,549,586 | | 12,809,845 | Transfers in |
| | (66,620) | | (486,094) | | (595,829) | Transfers out |
| | 1,361,942 | | 466,191 | | 4,539,691 | Change in net assets |
| | 14,941,322 | | 21,853,418 | | 61,605,320 | Net assets, beginning of year |
| | 14,941,322 | | 21,853,418 | | 61,605,320 | Net assets, beginning of year (restated) |
| \$ | 16,303,264 | \$ | 22,319,808 | \$ | 66,145,011 | Net assets, end of year |

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

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

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

| Airport | | GCCC | Totals |
|---------|-------------|----------------|-----------------|
| \$ | 1,020,330 | \$ 1,889,036 | \$ 9,983,104 |
| | (688,982) | (1,545,345) | (5,998,100) |
| | (88,476) | - | (1,126,027) |
| | (993,991) | (2,633,818) | (12,771,414) |
| | (731,099) | (2,310,227) | (9,910,437) |
| | 3,323,554 | 22,053 | 5,341,334 |
| | 84,218 | 3,549,586 | 12,809,845 |
| | (66,820) | (486,094) | (595,829) |
| | 3,341,152 | 3,085,545 | 17,555,350 |
| | (2,964,500) | (123,181) | (4,292,460) |
| | 6,355 | 1,658 | 14,264 |
| | - | - | (825,000) |
| | - | (2,755) | (6,001) |
| | (2,958,145) | (124,280) | (5,109,197) |
| | 354 | 8,789 | 19,798 |
| | 354 | 8,789 | 19,798 |
| | (347,738) | 659,827 | 2,555,514 |
| | 348,791 | 1,158,372 | 1,994,465 |
| \$ | 1,053 | \$ 1,818,199 | \$ 4,549,979 |
| \$ | (1,946,242) | \$ (2,682,414) | \$ (12,453,610) |
| | 1,359,522 | 500,966 | 3,512,001 |
| | - | - | (56,678) |
| | - | (27,681) | (27,561) |
| | (114,673) | 12,792 | 148,000 |
| | 5,129 | (4,843) | (25,114) |
| | (34,835) | (109,921) | (491,045) |
| | (200) | (241) | (1,192) |
| | - | 995 | 1,037 |
| | - | - | (516,275) |
| | 1,215,143 | 372,187 | 2,543,173 |
| \$ | (731,089) | \$ (2,310,227) | \$ (9,910,437) |

Cash flows from operating activities:

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

Net cash provided (used) by operating activities:

Cash flows from noncapital financing activities:

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

Net cash provided (used) by noncapital financing activities

Cash flows from capital and related financing activities:

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

Net cash used for capital and related financing activities

Cash flows from investing activities:

Interest and dividends on investments

Net cash provided by investing activities

Net increase (decrease) in cash and cash equivalents

Cash, investments and cash equivalents at beginning of year

Cash, investments and cash equivalents at end of year

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

Operating income (loss)

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

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

Total adjustments

Net cash provided (used) by operating activities

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

| | Budgeted Amounts | | Actual | Variance with Final Budget- Positive (Negative) |
|---|------------------|--------------|--------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| User fees | \$ 1,173,619 | \$ 1,173,619 | \$ 1,028,257 | \$ (145,362) |
| Investment income | 5,372 | 1,372 | 496 | (876) |
| Other revenue | 112,679 | 112,679 | 90,312 | (22,367) |
| Transfers in | 1,095,180 | 1,142,574 | 1,142,574 | - |
| Total revenues | 2,386,850 | 2,430,244 | 2,261,639 | (168,605) |
| Expenses: | | | | |
| Salaries, wages and benefits | 565,636 | 569,488 | 480,032 | 89,456 |
| Contractual services and utilities | 292,290 | 287,319 | 334,818 | (47,499) |
| Repairs and maintenance | 12,000 | 17,744 | 17,718 | 26 |
| Supplies | 39,787 | 39,727 | 37,337 | 2,390 |
| Capital outlay-exempt items | - | 336,517 | 104,057 | 232,460 |
| Insurance | 31,969 | 31,969 | 31,969 | - |
| Interest expense | 1,293,828 | 1,293,828 | 466,078 | 827,750 |
| Other | 133,757 | 194,229 | 204,023 | (9,794) |
| Transfers out | 2,933 | 43,115 | 43,115 | - |
| Total expenses | 2,372,200 | 2,813,936 | 1,719,147 | 1,094,789 |
| Excess of revenues over (under) expenses | \$ 14,650 | \$ (383,692) | 542,492 | \$ (1,263,394) |
| Revenue (expenses) not budgeted: | | | | |
| Depreciation expense | | | (126,060) | |
| Amortization expense | | | (19,670) | |
| Gain (Loss) on sale of capital assets | | | 280 | |
| Prem (Discount) debt service interest | | | 17,286 | |
| Other non-operating costs | | | (56) | |
| Change to conform to generally accepted accounting principles | | | | |
| Capital outlay | | | 23,401 | |
| Change in net assets | | | \$ 437,673 | |

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

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget- Positive (Negative)</u> |
|---|-------------------------|---------------------|---------------------|--|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| User fees | \$ 3,788,799 | \$ 4,038,604 | \$ 4,020,668 | \$ (18,036) |
| Investment Income | 7,889 | 7,689 | 5,774 | (1,915) |
| Intergovernmental | \$ 249,805 | \$ - | - | - |
| Other revenue | 650,000 | 650,000 | 607,015 | (42,985) |
| Total revenues | 4,696,293 | 4,696,293 | 4,633,357 | (61,021) |
| Expenses: | | | | |
| Salaries, wages and benefits | 3,068,978 | 3,054,578 | 2,762,501 | 292,077 |
| Contractual services and utilities | 432,300 | 443,240 | 383,968 | 59,272 |
| Repairs and maintenance | 145,700 | 145,276 | 83,040 | 62,236 |
| Supplies | 169,132 | 196,158 | 181,467 | 14,691 |
| Capital outlay-exempt items | 30,200 | 52,973 | 30,268 | 22,705 |
| Insurance | 117,944 | 117,944 | 117,944 | - |
| Other | 978,618 | 996,307 | 890,078 | 106,231 |
| Total expenses | 4,942,772 | 5,006,476 | 4,449,264 | 557,212 |
| Excess of revenues over (under) expenses | \$ (246,479) | \$ (310,183) | 184,093 | \$ (816,233) |
| Revenue (expenses) not budgeted: | | | | |
| Depreciation expense | | | (499,372) | |
| Bad debt expense | | | 5,362 | |
| Other non-operating costs | | | (517) | |
| Change to conform to generally accepted accounting principles | | | | |
| Capital outlay | | | 19,697 | |
| Change in net assets | | | <u>\$ (290,737)</u> | |

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

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

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

| | Budgeted Amounts | | | Variance with Final Budget- Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
| | Original | Final | Actual | |
| Revenues: | | | | |
| User fees | \$ 912,950 | \$ 912,950 | \$ 773,140 | \$ (139,810) |
| Investment income | 3,981 | 981 | (125) | (1,106) |
| Intergovernmental | . | 3,556,993 | 3,284,356 | (272,637) |
| Other revenue | 210,415 | 210,415 | 247,190 | 36,775 |
| Transfers in | . | 84,218 | 84,218 | . |
| Total revenues | 1,127,346 | 4,765,557 | 4,388,779 | (376,778) |
| Expenses: | | | | |
| Salaries, wages and benefits | 912,493 | 912,493 | 964,485 | (51,992) |
| Contractual services and utilities | 135,250 | 193,460 | 170,955 | 22,505 |
| Repairs and maintenance | 21,168 | 18,868 | 13,926 | 4,942 |
| Supplies | 25,587 | 26,912 | 23,458 | 3,454 |
| Capital outlay-exempt items | 2,000 | 3,612,904 | 3,273,691 | 339,213 |
| Insurance | 41,671 | 41,871 | 31,571 | 10,100 |
| Other | 96,862 | 97,812 | 93,464 | 4,348 |
| Transfers out | 11,008 | 66,820 | 66,620 | . |
| Total expenses | 1,246,039 | 4,970,740 | 4,638,170 | 332,570 |
| Excess of revenues over (under) expenses | \$ (118,693) | \$ (205,183) | (249,391) | \$ (44,208) |
| Revenue (expenses) not budgeted: | | | | |
| Depreciation expense | | | (1,359,522) | |
| Gain (Loss) on sale of capital assets | | | 6,355 | |
| Change to conform to generally accepted accounting principles | | | | |
| Capital outlay | | | 2,964,500 | |
| Change in net assets | | | \$ 1,361,942 | |

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

| | Budgeted Amounts | | | Variance with Final Budget- Positive (Negative) |
|---|-------------------------|--------------------|-------------------|--|
| | Original | Final | Actual | |
| Revenues: | | | | |
| User fees | \$ 1,427,000 | \$ 1,427,000 | \$ 1,594,480 | \$ 167,480 |
| Investment income | 6,550 | 8,550 | 9,253 | 703 |
| Intergovernmental | - | 215,000 | 75,367 | (139,633) |
| Other revenue | 218,000 | 248,000 | 274,558 | 26,558 |
| Transfers in | 2,923,360 | 3,549,588 | 3,549,588 | - |
| Total revenues | 4,574,910 | 5,448,138 | 5,503,242 | 55,108 |
| Expenses: | | | | |
| Salaries, wages and benefits | 2,543,820 | 2,599,313 | 2,619,154 | 80,159 |
| Contractual services and utility | 763,048 | 780,120 | 758,999 | 21,121 |
| Repairs and maintenance | 136,075 | 84,105 | 67,308 | 16,797 |
| Supplies | 212,543 | 223,939 | 193,060 | 30,879 |
| Capital outlay-exempt items | 37,700 | 921,149 | 208,968 | 712,181 |
| Insurance | 234,512 | 234,512 | 227,012 | 7,500 |
| Interest expense | - | 30,318 | 242 | 30,074 |
| Other | 145,841 | 149,501 | 159,089 | (9,588) |
| Transfers out | 281,969 | 486,094 | 486,094 | - |
| Total expenses | 4,355,308 | 5,509,049 | 4,610,926 | 889,123 |
| Excess of revenues over (under) expenses | \$ 219,602 | \$ (60,913) | 883,316 | \$ (834,017) |
| Revenue (expenses) not budgeted: | | | | |
| Depreciation expense | | | (500,966) | |
| Gain (Loss) on sale of capital assets | | | 1,656 | |
| Other non-operating costs | | | (921) | |
| Change to conform to generally accepted accounting principles | | | | |
| Capital outlay | | | 83,108 | |
| Change in net assets | | | \$ 466,191 | |

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

| | Budgeted Amounts | | | Variance with Final Budget- Positive (Negative) |
|---|---------------------|-----------------------|-----------------------|--|
| | Original | Final | Actual | |
| Revenues: | | | | |
| User fees | \$ 10,034,136 | \$ 10,173,077 | \$ 12,119,488 | \$ 1,946,411 |
| Other revenue | - | 132,000 | 262,775 | 130,775 |
| Investment income | 135,500 | 148,300 | 135,473 | (12,827) |
| Intergovernmental | | | | |
| State-shared taxes | 1,740,414 | 1,740,414 | 1,828,934 | 88,520 |
| Bond Proceeds | - | 14,280,000 | 14,280,000 | - |
| Transfers in | 1,688,639 | 2,688,639 | 2,688,639 | - |
| Total revenues | 13,598,689 | 29,162,430 | 31,316,309 | 2,153,879 |
| Expenses: | | | | |
| Salaries, wages and benefits | 5,280,748 | 5,822,537 | 4,513,741 | 1,308,796 |
| Contractual services and utilities | 1,872,365 | 2,516,441 | 2,350,493 | 165,948 |
| Repairs and maintenance | 668,548 | 716,418 | 529,257 | 187,161 |
| Supplies | 711,306 | 698,295 | 581,658 | 116,637 |
| Capital outlay-exempt items | 33,540 | 3,153,623 | 1,589,087 | 1,564,536 |
| Insurance | 306,866 | 321,082 | 321,082 | - |
| Other | 973,197 | 981,560 | 969,051 | 12,509 |
| Interest expense | 1,143,963 | 551,994 | 627,266 | (24,728) |
| Bond issuance costs | - | 17,345,000 | 17,345,000 | - |
| Transfers out | 3,496,972 | 3,496,972 | 3,496,972 | - |
| Total expenses | 14,487,495 | 35,603,922 | 32,223,607 | 3,330,859 |
| Excess of revenues over (under) expenses | \$ (888,806) | \$ (6,441,492) | (907,298) | \$ 1,176,980 |
| Revenue (expenses) not budgeted: | | | | |
| Depreciation expense | | | (4,795,852) | |
| Amortization expense | | | (34,638) | |
| Bad debt expense | | | (268,876) | |
| Gain (loss) on sale of capital assets | | | 2,747 | |
| Prem/(Discount) debt service interest | | | 34,927 | |
| Other non-operating costs | | | (11,848) | |
| Change to conform to generally accepted accounting principles | | | | |
| Capital Outlay | | | 1,567,087 | |
| Principal payment on advance | | | 3,065,000 | |
| Change in net assets | | | \$ (1,348,751) | |

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

| | Budgeted Amounts | | Actual | Variance with Final Budget- Positive (Negative) |
|---|------------------------|------------------------|---------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| User fees | \$ 39,058,848 | \$ 35,032,127 | \$ 37,218,821 | \$ 2,184,694 |
| Other revenue | 336,000 | 805,207 | 492,243 | (312,964) |
| Investment income | 515,261 | 558,984 | 544,310 | (14,674) |
| Intergovernmental | | | | |
| State-shared taxes | 6,929,726 | 6,929,726 | 7,295,554 | 365,828 |
| Grants | - | 975,869 | 487,250 | (488,419) |
| Total revenues | 39,392,848 | 35,837,334 | 46,036,178 | 1,734,465 |
| Expenses: | | | | |
| Salaries, wages and benefits | 6,279,257 | 8,584,816 | 7,614,748 | 970,068 |
| Contractual services and utilities | 7,643,081 | 9,396,170 | 6,299,618 | 3,096,552 |
| Repairs and maintenance | 573,870 | 706,075 | 487,321 | 238,754 |
| Supplies | 1,055,802 | 1,190,027 | 734,489 | 455,538 |
| Capital outlay-exempt items | 13,414,700 | 40,691,264 | 7,819,597 | 32,871,667 |
| Insurance | 293,063 | 341,461 | 341,461 | - |
| Other | 9,265,039 | 9,513,546 | 9,110,869 | 402,687 |
| Interest expense | 9,421,360 | 9,915,945 | 2,586,451 | (7,329,494) |
| Bond issuance costs | | 392,806 | 470,533 | |
| Transfers out | 3,321,000 | 221,000 | 221,000 | - |
| Total expenses | 51,267,172 | 80,953,110 | 35,666,077 | 30,705,772 |
| Excess of revenues over (under) expenses | \$ (11,874,324) | \$ (45,115,776) | 10,370,101 | \$ (28,971,307) |
| Revenue (expenses) not budgeted: | | | | |
| Depreciation expense | | | (8,757,971) | |
| Amortization | | | (1,006,582) | |
| Bad debt expense | | | (100,295) | |
| Gain on sale of capital assets | | | 960 | |
| Prem/(Discount) debt service interest | | | 148,025 | |
| Other non operating expenses | | | (34,856) | |
| Change to conform to generally accepted accounting principles | | | | |
| Capital Outlay | | | 7,664,985 | |
| Principal payment on advance | | | 470,533 | |
| Change in net assets | | | \$ 8,754,900 | |

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

| | Budgeted Amounts | | Actual | Variance with Final Budget- Positive (Negative) |
|---|-----------------------|-----------------------|-------------------|--|
| | Original | Final | | |
| Operating revenues: | | | | |
| User fees | \$ 9,951,218 | \$ 10,660,029 | \$ 10,076,840 | \$ (583,189) |
| Other revenues | - | - | 67,222 | 67,222 |
| Investment income | 62,500 | 61,000 | 53,411 | (7,589) |
| Intergovernmental | | | | |
| State-shared taxes | 1,740,145 | 1,740,145 | 1,829,904 | 89,759 |
| Grants | - | - | 40,000 | 40,000 |
| Transfers in | 14,000 | 14,000 | 14,000 | - |
| Total operating revenues | 11,767,863 | 12,475,174 | 12,081,377 | (393,797) |
| Operating expenses: | | | | |
| Salaries, wages and benefits | 3,978,393 | 4,446,338 | 4,021,654 | 424,684 |
| Contractual services and utilities | 4,100,232 | 4,124,755 | 3,416,761 | 707,994 |
| Repairs and maintenance | 577,700 | 586,763 | 434,218 | 152,545 |
| Supplies | 917,875 | 925,408 | 766,774 | 158,634 |
| Capital outlay-exempt items | 2,193,318 | 2,868,016 | 1,048,738 | 1,819,278 |
| Insurance | 142,236 | 157,291 | 167,291 | - |
| Other | 926,481 | 962,793 | 912,835 | 39,958 |
| Interest expense | 1,310,373 | 1,310,373 | 547,681 | (762,692) |
| Transfers out | 76,000 | 75,000 | 75,000 | - |
| Total expenses | 14,221,608 | 15,446,737 | 11,380,952 | 2,540,401 |
| Excess of revenues over (under) expenses | \$ (2,453,745) | \$ (2,971,563) | 700,425 | \$ (2,934,198) |
| Revenue (expenses) not budgeted: | | | | |
| Depreciation expense | | | (759,255) | |
| Amortization expense | | | (21,163) | |
| Bad debt expense | | | (187) | |
| Gain (Loss) on sale of capital assets | | | 22,734 | |
| Prem/(Discount) debt service interest | | | 18,110 | |
| Other non operating expenses | | | (4,820) | |
| Change to conform to generally accepted accounting principles | | | | |
| Capital Outlay | | | 878,868 | |
| Change in net assets | | | \$ 834,712 | |

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

| | Budgeted Amounts | | | Variance with Final Budget- Positive (Negative) |
|---|-------------------|--------------------|-----------------------|--|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Facilities rental | \$ 821,968 | \$ 574,930 | \$ 574,930 | \$ - |
| Investment Income | 5,910 | 5,910 | 6,812 | 702 |
| Transfers in | 300,000 | 4,927,335 | 1,323,473 | (3,603,862) |
| Total operating revenues | 1,127,876 | 5,508,175 | 1,905,015 | (3,603,160) |
| Expenses: | | | | |
| Contractual services and utility | 5,130 | 276,136 | 133,887 | 142,248 |
| Capital outlay-exempt items | - | 4,434,925 | 3,639,394 | 795,531 |
| Interest expense | 839,960 | 839,960 | 545,559 | 294,401 |
| Other operating | 500 | 51,232 | 9,244 | 41,988 |
| Total operating expenses | 845,590 | 5,602,252 | 4,328,084 | 1,274,168 |
| Excess of revenues over (under) expenses | \$ 282,286 | \$ (94,077) | (2,423,069) | \$ (2,328,992) |
| Revenue (expenses) not budgeted: | | | | |
| Depreciation expense | | | (2,436,577) | |
| Amortization expense | | | (12,555) | |
| Prem (Discount) debt service Interest | | | 72,342 | |
| Other non-operating costs | | | (683) | |
| Change to conform to generally accepted accounting principles | | | | |
| Capital outlay | | | 3,639,394 | |
| Change in net assets | | | \$ (1,161,148) | |

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

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

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

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

Internal Service Funds

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

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

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

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

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

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

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

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

| | Risk Management | Santa Fe Health/Dental | Worker's Compensation | Union Sick Leave Bank | Totals |
|---|--------------------|---------------------------|--------------------------|-----------------------------|---------------|
| Operating revenues: | | | | | |
| Premiums | \$ 3,832,486 | \$ 15,659,980 | \$ 1,685,260 | \$ 196,412 | \$ 21,374,138 |
| Other Revenue | 5,464 | - | - | - | 5,464 |
| Total operating revenues | 3,837,950 | 15,659,980 | 1,685,260 | 196,412 | 21,379,602 |
| Operating expenses: | | | | | |
| Salaries, wages and fringe benefits | 681,103 | 8,360 | - | 114,952 | 804,415 |
| Contractual services and utilities | 509,052 | 759,716 | 55,659 | - | 1,324,427 |
| Repairs and maintenance | 484 | - | - | - | 484 |
| Capital outlay - inventory exempt items | 910 | - | - | - | 910 |
| Supplies | 28,403 | 1,033 | - | - | 29,436 |
| Depreciation expense | 14,388 | - | - | - | 14,388 |
| Insurance premiums | 2,324,587 | 429,752 | 132,983 | - | 2,887,322 |
| Claims and judgments | 1,572,166 | 17,178,834 | 632,518 | - | 19,388,518 |
| Other | 2,267 | 488 | 318 | - | 3,073 |
| Total operating expenses | 5,138,360 | 18,378,183 | 821,478 | 114,952 | 24,452,973 |
| Operating income (loss) | (1,300,410) | (2,718,203) | 863,782 | 81,460 | (3,073,371) |
| Non-operating revenues (expenses): | | | | | |
| Investment income | 25,869 | 51,056 | 29,955 | - | 106,880 |
| Other | - | 11,445 | - | - | 11,445 |
| Gain (Loss) on sale of fixed assets | (5,472) | (9,078) | (3,084) | - | (17,644) |
| Total non-operating revenues (expenses) | 20,397 | 53,423 | 26,861 | - | 100,681 |
| Income (loss) before transfers | (1,280,013) | (2,664,780) | 890,643 | 81,460 | (2,972,690) |
| Other Financing Sources (uses): | | | | | |
| Transfers in | - | - | 500,000 | - | 500,000 |
| Transfers out | (758,372) | (402,105) | (181,366) | - | (1,341,843) |
| Total other financing sources (uses) | (758,372) | (402,105) | 318,634 | - | (841,843) |
| Change in net assets | (2,038,385) | (3,066,885) | 1,209,277 | 81,460 | (3,814,533) |
| Net assets, beginning of year | 1,283,802 | 8,567,589 | 19,363 | 67,685 | 9,938,439 |
| Net assets, end of year | \$ (754,583) | \$ 5,500,704 | \$ 1,228,640 | \$ 149,145 | \$ 6,123,906 |

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

| | Risk Management | Santa Fe Health/Dental | Worker's Compensation | Union Sick Leave Bank | Totals |
|--|--------------------|---------------------------|--------------------------|-----------------------------|----------------|
| Cash flows from operating activities: | | | | | |
| Cash received from customers | \$ 3,832,486 | \$ 15,659,980 | \$ 1,629,752 | \$ 196,412 | \$ 21,318,630 |
| Cash received from interfund services provided and used | 5,464 | - | 55,507 | - | 60,971 |
| Cash payments to suppliers for goods and services | (4,039,245) | (18,058,404) | (1,104,514) | - | (23,202,163) |
| Cash payments to employees for services | (710,239) | (8,360) | - | (114,952) | (833,610) |
| Net cash (used) by operating activities | (911,593) | (2,406,784) | 590,745 | 81,460 | (2,655,172) |
| Cash flows from noncapital financing activities: | | | | | |
| Intergovernmental | - | 11,445 | - | - | 11,445 |
| Transfers-in from other funds | - | - | 500,000 | - | 500,000 |
| Transfers-out to other funds | (758,372) | (402,105) | (781,365) | - | (1,341,842) |
| Net cash provided (used) by noncapital financing activities | (758,372) | (390,660) | 318,634 | - | (830,398) |
| Cash flows from capital and related financing activities: | | | | | |
| Proceed from sale of capital assets | (5,472) | (9,078) | (3,094) | - | (17,644) |
| Net cash used for capital & related financing activities | (5,472) | (9,078) | (3,094) | - | (17,644) |
| Cash flows from investing activities: | | | | | |
| Interest and dividends on investments | 30,049 | 56,549 | 30,042 | - | 116,640 |
| Net cash provided by investing activities | 30,049 | 56,549 | 30,042 | - | 116,640 |
| Net increase (decrease) in cash and cash equivalents | (1,645,388) | (2,749,973) | 926,327 | 81,460 | (3,387,574) |
| Cash, investments & cash equivalents at beg of year | 3,631,607 | 9,182,615 | 3,848,335 | 67,685 | 16,730,242 |
| Cash, investments & cash equivalents at end of year | \$ 1,986,219 | \$ 6,432,642 | \$ 4,774,662 | \$ 149,145 | \$ 13,342,668 |
| Reconciliation of operating income (loss) to cash provided (used) by operating activities: | | | | | |
| Operating income (loss) | \$ (1,300,410) | \$ (2,718,203) | \$ 863,781 | \$ 81,460 | \$ (3,073,372) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation | 14,388 | - | - | - | 14,388 |
| Change in assets and liabilities: | | | | | |
| Increase (decrease) in accounts payable | (6,678) | (193,102) | 401 | - | (205,379) |
| Increase (decrease) in compensated abs. payable | (6,066) | - | - | - | (6,066) |
| Increase (decrease) in accrued wages payable | (23,129) | - | - | - | (23,129) |
| Increase (decrease) in claims payable | 410,302 | 510,521 | (283,437) | - | 637,386 |
| Total adjustments | 388,817 | 317,419 | (283,036) | - | 417,200 |
| Net cash (used) by operating activities | \$ (911,593) | \$ (2,406,784) | \$ 590,745 | \$ 81,460 | \$ (2,655,172) |

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

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

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

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

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Worker's Compensation
For the Year Ended June 30, 2012

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

CITY OF SANTA FE, NEW MEXICO
Internal Service Fund
Schedule of Revenues, Expenses and
Changes in Net Assets - Budget and Actual
Union Sick Leave Bank
For the Year Ended June 30, 2012

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

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Capital Assets Used in the Operation of Governmental Fund

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CITY OF SANTA FE, NEW MEXICO
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule By Source
June 30, 2012 and 2011

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

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

CITY OF SANTA FE, NEW MEXICO
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2012

| Function and Activity | Land | Buildings | Improvements | Equipment and Machinery | Furniture and Fixtures | Vehicles |
|-------------------------------|----------------|---------------|---------------|-------------------------|------------------------|---------------|
| General Government: | | | | | | |
| City Manager | \$ 25,668,001 | \$ 29,359,090 | \$ 5,403,906 | \$ 119,009 | \$ - | \$ - |
| City Clerk | | | | 286,843 | 22,241 | 56,850 |
| Administrative Department | | 175,333 | | 1,120,377 | 8,485 | 4,676,014 |
| Planning and Land Use | | | | 39,347 | 236,897 | 297,191 |
| City Services | 137,847,376 | 7,221,775 | 399,754 | 1,273,052 | 131,164 | 860,471 |
| Total General Government | 163,515,377 | 36,755,198 | 5,803,660 | 2,838,628 | 396,787 | 5,890,526 |
| Public Safety: | | | | | | |
| Police | - | 5,570,721 | 3,184,968 | 296,799 | 363,550 | 6,422,404 |
| Fire | | 10,416,176 | | 2,569,251 | 55,016 | 3,677,572 |
| Total Public Safety | - | 15,986,897 | 3,184,968 | 2,866,050 | 418,566 | 10,099,976 |
| Public Works: | | | | | | |
| Administration | - | 104,455 | 19,749,789 | 5,633,190 | 3,026 | 740,942 |
| Total Public Works | - | 104,455 | 19,749,789 | 5,633,190 | 3,026 | 740,942 |
| Community Welfare: | | | | | | |
| Community Development | 204,218 | 1,695,824 | | | | |
| Affordable Housing | 840,000 | | 419,140 | | | |
| Human services | 178,225 | 1,854,998 | 640,543 | 2,174,864 | - | 444,391 |
| Total Community Welfare | 1,222,443 | 3,550,822 | 1,059,683 | 2,174,864 | - | 444,391 |
| Culture and Recreation: | | | | | | |
| Parks and Grounds Maintenance | 5,202,126 | 979,484 | 16,900,565 | 3,035,935 | 4,778 | 3,793,740 |
| Arts Commission | | | | | | 40,178 |
| Museums and Libraries | | 529,731 | | | | |
| Total Culture and Recreation | 5,202,126 | 1,509,215 | 16,900,565 | 3,035,935 | 4,778 | 3,833,918 |
| Total governmental funds cap: | \$ 169,939,946 | \$ 57,905,587 | \$ 46,597,665 | \$ 16,547,667 | \$ 823,157 | \$ 21,009,753 |

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

CITY OF SANTA FE, NEW MEXICO
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2012

| Data Processing Equipment and Software | Construction in Progress | Air | Traffic Signals | Streets | Bridges | Total |
|--|--------------------------------|-------------------|----------------------|-----------------------|---------------------|-----------------------|
| \$ 71,661 | \$ 49,485 | \$ - | \$ - | \$ - | \$ - | \$ 60,670,152 |
| 26,599 | - | - | - | - | - | 392,533 |
| 8,311,920 | 418,663 | - | - | - | - | 14,708,792 |
| 277,195 | - | - | - | - | - | 950,630 |
| 1,138,639 | 1,176,756 | - | - | - | - | 150,047,997 |
| <u>9,826,014</u> | <u>1,643,904</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>226,670,094</u> |
| 1,195,744 | - | - | - | - | - | 17,034,186 |
| 600,597 | - | - | - | - | - | 17,317,612 |
| <u>1,796,341</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>34,351,798</u> |
| 44,563 | 8,524,972 | - | 22,964,533 | 191,454,881 | 2,109,269 | 251,328,620 |
| <u>44,563</u> | <u>8,524,972</u> | <u>-</u> | <u>22,964,533</u> | <u>191,454,881</u> | <u>2,109,269</u> | <u>251,328,620</u> |
| - | 6,335 | - | - | - | - | 1,906,377 |
| - | 155,250 | - | - | - | - | 1,414,390 |
| - | 128,493 | - | - | - | - | 5,421,514 |
| <u>-</u> | <u>290,078</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,742,281</u> |
| - | 15,068,940 | - | 257,515 | - | - | 45,243,083 |
| 54,660 | - | 922,920 | - | - | - | 1,017,758 |
| 23,301 | 348,816 | - | - | - | - | 901,848 |
| <u>77,961</u> | <u>15,417,756</u> | <u>922,920</u> | <u>257,515</u> | <u>-</u> | <u>-</u> | <u>47,162,589</u> |
| <u>\$ 11,744,879</u> | <u>\$ 25,876,710</u> | <u>\$ 922,920</u> | <u>\$ 23,222,048</u> | <u>\$ 191,454,881</u> | <u>\$ 2,109,269</u> | <u>\$ 568,255,482</u> |

CITY OF SANTA FE, NEW MEXICO
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the Year Ended June 30, 2012

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

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

Statistical Section

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

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

| <u>Contents</u> | <u>Pages</u> |
|---|---------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time. | 169-174 |
| Revenue Capacity These schedules contain information to help the reader assess the factors affecting the city's ability to generate its gross receipts tax. | 175-182 |
| Debt Capacity These schedules present information to help the reader the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future. | 183-189 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments. | 190-193 |
| Operating information These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs. | 194-198 |

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

TABLE I

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

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 |
| Governmental Activities | | | | | |
| Invested in capital assets, net of related debt | \$ 1,349,357 | \$ 157,113,667 | \$ 143,746,053 | \$ 166,025,629 | \$ 142,109,428 |
| Restricted | 6,103,794 | 4,128,579 | 3,285,631 | 3,168,740 | 2,504,394 |
| Unrestricted | 86,932,817 | 99,594,397 | 98,610,581 | 90,576,169 | 63,338,892 |
| Total governmental activities net assets | \$ 94,385,968 | \$ 260,836,643 | \$ 245,642,265 | \$ 259,770,538 | \$ 207,952,714 |
| Business-type activities | | | | | |
| Invested in capital assets, net of related debt | \$ 66,834,205 | \$ 75,547,411 | \$ 100,137,996 | \$ 100,419,310 | \$ 152,636,141 |
| Restricted | 10,763,947 | 9,189,925 | 9,232,551 | 1,165,686 | 2,668,245 |
| Unrestricted | 20,751,616 | 37,983,865 | 48,735,531 | 86,526,932 | 127,184,590 |
| Total business -type activities | \$ 98,349,768 | \$ 122,721,201 | \$ 158,106,078 | \$ 188,111,928 | \$ 282,488,976 |
| Primary government | | | | | |
| Invested in capital assets, net of related debt | \$ 68,183,562 | \$ 232,661,078 | \$ 243,884,049 | \$ 266,444,939 | \$ 294,745,569 |
| Restricted | 16,867,741 | 13,318,504 | 12,518,182 | 4,334,426 | 5,172,639 |
| Unrestricted | 107,684,433 | 137,578,262 | 147,346,112 | 177,103,101 | 190,523,482 |
| Total primary government net assets | \$ 192,735,736 | \$ 383,557,844 | \$ 403,748,343 | \$ 447,882,466 | \$ 490,441,690 |
| | | | | | |
| | 2008 | 2009 | 2010 | 2011 | 2012 |
| Governmental Activities | | | | | |
| Invested in capital assets, net of related debt | \$ 182,790,257 | \$ 178,547,796 | \$ 188,345,882 | \$ 191,538,696 | \$ 186,752,403 |
| Restricted | 10,174,773 | 10,290,331 | 10,693,806 | 21,643,708 | 52,596,695 |
| Unrestricted | 98,944,233 | 93,868,312 | 69,331,327 | 53,773,476 | 24,870,716 |
| Total governmental activities net assets | \$ 291,909,263 | \$ 282,506,439 | \$ 268,371,015 | \$ 266,955,880 | \$ 264,219,814 |
| Business-type activities | | | | | |
| Invested in capital assets, net of related debt | \$ 159,508,099 | \$ 160,986,556 | \$ 174,237,581 | \$ 208,210,696 | \$ 231,134,448 |
| Restricted | 724,528 | 1,232,286 | 6,961,305 | 5,960,981 | 6,483,099 |
| Unrestricted | 89,549,081 | 110,164,825 | 135,921,927 | 127,140,990 | 116,317,368 |
| Total business -type activities | \$ 249,781,708 | \$ 272,383,667 | \$ 317,120,813 | \$ 341,312,667 | \$ 353,934,915 |
| Primary government | | | | | |
| Invested in capital assets, net of related debt | \$ 342,298,356 | \$ 339,534,352 | \$ 362,583,463 | \$ 399,749,392 | \$ 417,886,851 |
| Restricted | 10,899,301 | 11,522,617 | 17,655,111 | 27,604,689 | 59,079,794 |
| Unrestricted | 188,493,314 | 203,833,137 | 205,253,254 | 180,914,466 | 141,188,084 |
| Total primary government net assets | \$ 541,690,971 | \$ 554,890,106 | \$ 585,491,828 | \$ 608,268,547 | \$ 618,154,729 |

Note: GASB 34 Implemented 2002

TABLE II

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 21,451,013 | \$ 22,393,020 | \$ 31,765,902 | \$ 21,318,849 | \$ 23,484,442 | \$ 27,873,924 | \$ 29,586,386 | \$ 27,660,875 | \$ 26,391,088 | \$ 29,053,071 |
| Public Safety | 26,538,341 | 28,500,025 | 31,103,547 | 31,355,147 | 33,841,007 | 34,894,206 | 38,118,396 | 38,313,141 | 38,015,679 | 38,164,145 |
| Public Works | 13,024,063 | 14,621,049 | 11,639,112 | 12,020,924 | 13,570,355 | 13,577,325 | 15,718,517 | 15,869,603 | 16,653,193 | 13,982,704 |
| Community Development | 9,761,578 | 10,180,137 | 10,948,430 | 10,722,375 | 11,289,698 | 11,397,085 | 12,974,275 | 15,145,394 | 12,191,952 | 10,636,985 |
| Culture and Recreation | 9,017,844 | 9,708,241 | 10,900,710 | 11,770,657 | 13,029,432 | 13,430,563 | 13,417,927 | 13,580,296 | 12,218,375 | 11,365,828 |
| Education | 2,280,164 | 2,456,459 | 2,528,186 | 2,573,152 | 2,737,898 | 2,864,722 | 2,899,570 | 2,988,945 | 2,846,887 | 2,673,364 |
| Interest on Long Term Debt | 5,375,063 | 5,053,359 | 5,630,475 | 5,404,184 | 9,583,608 | 4,583,643 | 5,456,538 | 5,485,953 | 4,957,563 | 5,847,128 |
| Total Governmental activities expenses | \$7,448,066 | \$2,952,290 | \$10,514,362 | \$5,165,288 | \$17,536,410 | \$18,601,468 | \$18,151,601 | \$19,044,207 | \$13,269,917 | \$11,724,025 |
| Business-type activities: | | | | | | | | | | |
| Wastewater Management | 10,141,412 | 9,352,601 | 9,523,908 | 9,648,572 | 9,879,594 | 11,352,274 | 12,475,625 | 12,312,850 | 14,705,132 | 14,878,988 |
| Water Management | 19,240,504 | 20,258,711 | 20,647,005 | 20,115,817 | 23,608,849 | 19,074,551 | 22,882,185 | 22,369,231 | 28,452,091 | 37,026,382 |
| Municipal Recreation Complex | 3,205,273 | 3,302,425 | 3,263,270 | 3,634,257 | 3,021,228 | 2,975,871 | 2,408,241 | 1,803,235 | 1,336,520 | 1,781,075 |
| Rallyard Center | - | - | 175,224 | 205,168 | 608,703 | 344,959 | 1,741,936 | 1,748,903 | 1,748,903 | 3,065,480 |
| Genoveva Chavez Community Cntr | 3,541,519 | 3,910,851 | 3,968,449 | 4,118,677 | 4,885,292 | 4,999,087 | 5,570,172 | 4,886,084 | 4,725,388 | 4,551,692 |
| Santa Fe Convention Center | 734,108 | 769,541 | 854,946 | 1,060,315 | 218,000 | 2,083,034 | 4,763,646 | 5,280,908 | 2,950,521 | 4,993,798 |
| Solid Waste Management | 7,921,077 | 8,296,083 | 8,373,162 | 8,745,255 | 8,988,090 | 9,864,422 | 9,576,135 | 9,942,609 | 10,992,656 | 11,607,054 |
| College of Santa Fe | - | - | - | - | - | - | - | 2,436,028 | 1,946,703 | 1,062,183 |
| Transit and Airport Systems | 6,093,452 | 6,702,672 | 6,911,775 | 7,394,114 | 8,309,125 | 10,312,198 | 11,275,507 | 12,366,693 | 10,584,607 | 11,686,091 |
| Parking Enterprise Fund | 3,188,057 | 3,456,837 | 3,977,672 | 4,006,651 | 4,194,755 | 4,716,561 | 5,126,803 | 5,271,354 | 5,147,411 | 4,923,577 |
| All other proprietary funds | - | - | - | - | - | - | - | - | - | - |
| Total business-type expenses | \$4,065,402 | \$6,049,521 | \$7,713,431 | \$8,928,826 | \$3,623,640 | \$5,742,957 | \$7,454,210 | \$8,411,035 | \$2,989,932 | \$5,576,310 |
| Total primary government expenses | \$11,513,468 | \$9,001,811 | \$18,227,793 | \$14,094,114 | \$21,160,050 | \$24,344,425 | \$25,605,811 | \$27,455,242 | \$16,259,849 | \$17,300,335 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General Government | \$ 4,736,202 | \$ 5,390,550 | \$ 5,928,430 | \$ 5,484,371 | \$ 2,729,053 | \$ 1,908,694 | \$ 2,093,097 | \$ 478,959 | \$ 1,549,813 | \$ 7,595,705 |
| Public Safety | 494,337 | 534,425 | 671,958 | 437,873 | 3,748,109 | 3,551,192 | 3,451,045 | 4,192,344 | 5,837,000 | 1,474,567 |
| Public Works | 153,334 | 1,158,789 | 3,052,065 | 3,101,740 | 3,420,434 | 2,245,481 | 2,094,381 | 2,379,542 | 2,782,439 | 1,807,757 |
| Community Development | 127,639 | 146,216 | 144,195 | 130,376 | 321,145 | 491,313 | 350,716 | 373,009 | 427,889 | 84,441 |
| Culture and Recreation | 62,230 | 18,900 | 106,684 | 114,848 | 518,602 | 536,901 | 578,429 | 685,743 | 790,664 | 133,659 |
| Operating grants and contributions: | | | | | | | | | | |
| General Government | 243,831 | 119,129 | 26,578 | 224,321 | 400,848 | 417,614 | 292,957 | 660,242 | 292,957 | 173,174 |
| Public Safety | 911,513 | 1,140,086 | 1,201,267 | 899,651 | 577,716 | 1,032,705 | 832,402 | 1,288,866 | 731,000 | 1,010,679 |
| Public Works | 359,329 | 404,971 | 536,523 | 740,693 | 449,214 | 210,213 | 214,293 | 286,133 | 214,793 | 501,864 |
| Community Development | 3,318,551 | 3,324,270 | 3,474,113 | 2,806,880 | 3,260,771 | 3,250,551 | 3,718,589 | 5,989,952 | 3,400,769 | 2,658,918 |
| Culture and Recreation | 133,474 | 342,327 | 801,047 | 439,671 | 297,646 | 301,646 | 340,742 | 182,907 | 340,742 | 30,389 |
| Education | - | - | 226,070 | - | - | - | - | - | - | - |
| Capital grants and contributions: | | | | | | | | | | |
| General Government | 180,287 | 122,541 | 10,188,219 | 184,045 | 401,529 | 2,711,654 | 1,706,164 | 406,830 | 1,700,235 | 81,519 |
| Public Safety | - | - | - | 283,119 | 418,962 | - | 529,270 | 340,853 | 529,270 | 1,206,912 |
| Public Works | 5,310,860 | 1,985,617 | 1,326,180 | 1,086,433 | 946,360 | 2,727,905 | 6,022,474 | 3,732,453 | 1,604,050 | 5,896,998 |
| Community Development | 334,517 | 18,911 | 120,244 | 1,436,376 | 372,517 | 673,517 | 673,023 | 386,267 | 673,023 | 92,838 |
| Culture and Recreation | 347,788 | 718,156 | 324,260 | 1,901,844 | 1,215,780 | 1,042,680 | 2,536,154 | 2,193,295 | 2,535,154 | 429,170 |
| Total governmental activities program revenues | \$16,691,892 | \$15,424,898 | \$28,107,933 | \$20,272,433 | \$18,875,413 | \$20,802,066 | \$25,433,738 | \$23,557,395 | \$23,408,294 | \$23,178,790 |

(Continued)

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Wastewater Management | \$ 6,976,843 | \$ 8,088,178 | \$ 8,388,757 | \$ 8,598,112 | \$ 8,718,755 | \$ 9,326,934 | \$ 9,286,248 | \$ 10,299,371 | \$ 12,524,483 | \$ 12,382,263 |
| Water Management | 27,100,848 | 29,506,311 | 26,305,704 | 36,401,216 | 29,158,277 | 20,148,350 | 27,086,239 | 30,236,761 | 35,478,027 | 37,709,064 |
| Municipal Recreation Complex | 1,231,628 | 1,195,813 | 1,073,646 | 1,164,830 | 1,035,847 | 1,055,670 | 1,076,776 | 1,100,296 | 1,159,308 | 1,118,569 |
| Railyard Center | - | - | 737,700 | - | 273,221 | 634,870 | 565,324 | 561,147 | 712,325 | 574,930 |
| Genoveva Chavez Community Center | 1,453,790 | 1,212,399 | 1,559,773 | 1,372,712 | 1,804,043 | 1,480,294 | 1,512,984 | 1,637,933 | 1,970,167 | 1,869,036 |
| Santa Fe Convention Center | 137,051 | - | 179,925 | 3,750 | - | - | 300,448 | 408,746 | 484,117 | 1,020,386 |
| Solid Waste Management | 7,477,676 | 8,682,479 | 8,877,203 | 8,906,200 | 9,249,160 | 9,419,575 | 9,195,553 | 9,178,089 | 10,030,316 | 10,144,062 |
| College of Santa Fe | - | - | - | - | - | - | - | 2,092,884 | 2,374,914 | 2,360,000 |
| Transit and Airport Systems | 710,410 | 643,268 | 829,695 | 673,316 | 690,065 | 767,256 | 888,259 | 1,918,748 | 2,312,176 | 2,424,594 |
| Parking Enterprise Fund | 3,091,690 | 3,626,228 | 3,559,993 | 3,661,069 | 3,726,114 | 3,693,146 | 3,715,155 | 4,498,969 | 4,419,714 | 4,627,583 |
| All other proprietary funds | - | - | - | - | - | - | - | - | - | - |
| Operating grants and contributions: | | | | | | | | | | |
| Municipal Recreation Complex | 2,700 | - | - | - | - | - | - | - | - | - |
| Transit and Airport Systems | 435,724 | 215,000 | 805,979 | 905,751 | 935,944 | 1,260,704 | 1,120,734 | 1,021,037 | - | 1,334,570 |
| All other proprietary funds | - | - | - | - | - | - | - | - | - | - |
| Capital grants and contributions: | | | | | | | | | | |
| Wastewater Management | - | - | - | 18,124 | 82,458 | 45,447 | 55,899 | 180,749 | 184,019 | - |
| Water Management | 1,586,829 | 10,458,328 | 1,339,801 | 6,759,310 | 3,203,186 | 1,567,685 | 1,372,315 | 8,812,197 | 3,150,751 | 487,250 |
| Municipal Recreation Complex | - | - | - | 8,622 | 1,315 | 73,433 | 96,986 | 464,581 | - | - |
| Railyard Center | - | - | 412,859 | 166,007 | 2,495,258 | 7,187,248 | 536,692 | 50,154 | 668,500 | - |
| Genoveva Chavez Community Center | - | - | 24,426 | 32,952 | 144,607 | 144,607 | 17,029 | - | - | 75,367 |
| Transit and Airport Systems | 2,274,873 | 1,816,745 | 943,507 | 1,416,163 | 5,230,489 | 5,438,603 | 4,012,988 | 6,620,886 | 4,276,281 | 3,787,053 |
| Santa Fe Convention Center | - | - | - | - | - | - | - | 55,532 | 3,500 | 11,234 |
| All other proprietary funds | - | - | - | - | - | 24,515 | 69,953 | - | - | 40,000 |
| Total business-type activities program revenues | 52,479,862 | 85,444,749 | 55,038,572 | 70,085,934 | 66,840,965 | 72,268,337 | 61,186,080 | 79,155,109 | 79,758,588 | 79,955,961 |
| Total government program revenues | \$ 69,171,554 | \$ 80,869,647 | \$ 83,146,405 | \$ 90,358,367 | \$ 85,716,379 | \$ 93,070,403 | \$ 86,619,818 | \$ 102,717,564 | \$ 103,166,892 | \$ 103,134,751 |
| Net (Expenses)/Revenue | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| General Government | \$ (16,310,693) | \$ (16,760,800) | \$ (15,642,675) | \$ (14,426,112) | \$ (19,953,012) | \$ (22,835,982) | \$ (25,474,168) | \$ (26,114,844) | \$ (22,849,063) | \$ (21,203,473) |
| Public Safety | (25,132,491) | (26,825,514) | (29,230,322) | (29,734,304) | (29,098,230) | (30,310,308) | (33,305,681) | (32,511,078) | (30,918,609) | (34,471,787) |
| Public Works | (7,200,740) | (11,071,662) | (6,724,344) | (7,092,088) | (8,754,347) | (8,392,726) | (7,387,369) | (9,471,475) | (12,052,411) | (5,775,085) |
| Community development | (5,982,871) | (6,690,740) | (7,207,878) | (6,348,741) | (7,536,531) | (7,282,704) | (8,231,945) | (8,399,166) | (7,690,275) | (7,800,788) |
| Culture and recreation | (8,474,352) | (8,458,758) | (9,668,719) | (9,314,294) | (10,997,401) | (11,549,338) | (9,962,602) | (10,518,351) | (8,551,815) | (10,772,610) |
| Education | (2,280,164) | (2,456,459) | (2,302,116) | (2,573,152) | (2,737,868) | (2,864,722) | (2,899,570) | (2,988,945) | (2,846,887) | (2,673,364) |
| Interest on Long term debt | (5,375,063) | (5,093,359) | (5,630,475) | (5,404,184) | (9,583,608) | (4,563,643) | (5,456,528) | (5,485,963) | (4,852,553) | (5,847,128) |
| Business-type activities | | | | | | | | | | |
| Wastewater Management | (3,164,569) | (1,264,423) | (1,135,151) | (1,034,336) | (1,078,381) | (1,979,893) | (3,133,480) | (1,832,730) | (1,996,630) | (2,496,725) |
| Water Management | 9,447,173 | 19,705,928 | 6,998,300 | 23,044,709 | 8,752,614 | 12,641,484 | 5,575,369 | 16,679,727 | 10,176,687 | 1,169,932 |
| College of Santa Fe | - | - | - | - | - | - | - | (343,204) | 428,211 | 1,287,817 |
| Municipal Recreation Complex | (1,970,945) | (2,106,612) | (2,189,624) | (2,461,005) | (1,984,066) | (1,846,789) | (1,234,579) | (238,358) | (177,212) | (662,506) |
| Railyard Center | - | - | 977,135 | (39,161) | 2,159,776 | 7,477,159 | (271,780) | (1,130,682) | (368,078) | (2,490,550) |
| Genoveva Chavez Community Center | (2,087,729) | (2,698,452) | (2,404,246) | (2,713,013) | (3,054,415) | (3,374,185) | (3,763,860) | (3,231,123) | (2,755,221) | (2,607,289) |
| Santa Fe Convention Center | (597,057) | (769,541) | (675,021) | (1,056,565) | (218,000) | (2,083,034) | (4,393,730) | (4,816,630) | (2,457,904) | (3,962,178) |
| Solid Waste Management | (443,401) | 386,396 | 504,021 | 180,945 | 361,070 | (464,847) | (380,582) | (486,520) | (962,340) | (1,422,992) |
| Transit and Airport Systems | (2,672,645) | (4,027,659) | (4,332,594) | (4,398,884) | (1,252,627) | (2,845,635) | (5,253,525) | (2,806,022) | (4,396,150) | (4,139,864) |
| Parking Enterprise Fund | (96,367) | 169,591 | (417,679) | (345,582) | (469,845) | (1,023,415) | (1,413,163) | (772,385) | (727,697) | (295,994) |
| All other proprietary funds | - | - | - | - | - | 24,515 | - | - | - | - |
| Total government expenses | \$ (72,341,914) | \$ (67,962,064) | \$ (79,081,383) | \$ (63,735,747) | \$ (85,443,671) | \$ (81,274,022) | \$ (106,985,993) | \$ (94,742,738) | \$ (93,092,957) | \$ (104,165,584) |

(Continued)

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Revenues and Other Changes In Net Assets | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 1,482,020 | \$ 1,545,895 | \$ 1,846,328 | \$ 1,759,219 | \$ 3,584,591 | \$ 3,954,867 | \$ 3,773,701 | \$ 8,659,311 | \$ 7,763,486 | \$ 8,317,589 |
| Sales taxes | 79,760,433 | 82,323,111 | 85,755,995 | 92,621,304 | 88,146,556 | 91,972,070 | 82,800,905 | 76,345,768 | 77,533,815 | 80,000,069 |
| Lodgers taxes | - | - | - | - | 8,677,392 | 8,797,321 | 7,872,311 | 7,238,114 | 8,350,150 | 7,881,259 |
| Franchise taxes | 2,086,183 | 2,269,999 | 2,308,962 | 2,418,323 | 2,391,985 | 2,549,067 | 2,646,539 | 2,589,218 | 2,228,889 | 2,535,193 |
| Motor fuel taxes | 299,457 | 1,307,593 | 1,432,828 | 1,582,130 | 1,130,555 | 1,854,875 | 1,896,868 | 1,739,763 | 1,792,433 | 1,772,322 |
| Cigarette taxes | 153,932 | 141,980 | 145,074 | 126,683 | 107,712 | 113,820 | 65,597 | 96,502 | 8,940 | 91 |
| Unrestricted investment earnings | 3,592,394 | 840,040 | 2,049,567 | 3,570,611 | 7,187,724 | 4,383,448 | 3,264,549 | 664,354 | 492,319 | 515,681 |
| Miscellaneous revenues | 1,208,258 | 1,463,231 | 1,984,446 | 991,112 | 1,947,886 | 1,401,382 | 1,684,015 | 1,538,546 | 1,993,112 | 1,175,732 |
| Gain on sale of capital assets | 3,976 | 1,039,082 | - | 117,180 | - | 142,601 | - | 215,508 | - | 73,295 |
| Transfers | (8,496,185) | (12,103,500) | (13,262,714) | (14,175,434) | (76,331,238) | (29,791,045) | (20,489,446) | (15,734,696) | (11,714,456) | (16,463,102) |
| Special item-transfer of capital asset | - | - | (20,145,837) | - | - | - | - | - | - | - |
| Total governmental activities | 80,071,468 | 78,827,411 | 61,914,641 | 89,021,128 | 36,843,173 | 85,188,406 | 83,315,039 | 81,351,388 | 68,446,486 | 85,809,109 |
| Business-type activities | | | | | | | | | | |
| Property taxes | - | - | - | - | 7,123,902 | 9,800,497 | 11,055,714 | 10,451,588 | 10,615,795 | - |
| Sales taxes | - | - | - | - | - | - | - | - | - | 10,955,392 |
| Unrestricted investment earnings | 1,499,788 | 1,347,344 | 1,822,075 | 2,608,907 | 6,301,086 | 7,078,365 | 3,291,660 | 1,110,329 | 775,571 | 840,508 |
| Miscellaneous revenues | - | 1,567,250 | 2,793,229 | 1,650,873 | 379,523 | 1,689,583 | 1,997,811 | - | - | (57,111) |
| Donated land | - | - | - | - | - | - | - | 16,683,838 | - | - |
| Gain (loss) on sale of capital assets | (41,845) | (41,889) | 35,861 | 413,528 | 1,023,973 | (24,603) | 35,658 | 12,621 | 4,317,366 | 40,705 |
| Transfers | 8,496,185 | 12,103,500 | 13,262,714 | 14,175,434 | 76,331,238 | 29,791,045 | 20,489,446 | 15,734,696 | 11,714,456 | 16,463,102 |
| Special item-transfer of capital asset | - | - | 20,145,837 | - | - | - | - | - | - | - |
| Total business-type activities | 9,954,128 | 14,976,205 | 38,059,736 | 18,848,742 | 91,159,722 | 47,334,897 | 36,870,069 | 43,993,072 | 27,423,188 | 28,242,597 |
| Total government | \$ 90,025,596 | \$ 93,803,616 | \$ 99,974,383 | \$ 107,869,870 | \$ 128,002,895 | \$ 132,523,303 | \$ 120,185,108 | \$ 125,344,460 | \$ 115,869,676 | \$ 114,051,706 |
| Change in Net Assets | | | | | | | | | | |
| Governmental activities | \$ 9,315,094 | \$ 1,470,119 | \$ (14,491,862) | \$ 14,128,273 | \$ (51,817,624) | \$ (2,810,996) | \$ (9,402,824) | \$ (14,135,424) | \$ (1,415,135) | \$ (2,736,126) |
| Business-type activities | 8,368,588 | 24,371,433 | 35,384,877 | 30,005,851 | 94,377,048 | 53,860,277 | 22,601,959 | 44,737,146 | 24,191,854 | 12,622,248 |
| Total government | \$ 17,683,682 | \$ 25,841,552 | \$ 20,892,915 | \$ 44,134,123 | \$ 42,559,224 | \$ 51,268,281 | \$ 13,199,135 | \$ 30,601,722 | \$ 22,776,719 | \$ 9,886,122 |

Note: GASB 34 implemented 2002

TABLE III

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|------------------------------------|---------------|---------------|---------------|----------------|---------------|----------------|---------------|---------------|---------------|---------------|
| General fund | | | | | | | | | | |
| Non-spendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 440,752 | \$ 145,699 |
| Restricted | | | | | | 6,722,866 | 6,643,676 | 6,533,816 | 6,071,202 | 5,458,379 |
| Committed | 835,208 | 1,675,655 | 1,517,007 | 1,187,102 | 1,469,090 | 3,920,763 | 2,063,939 | 1,823,960 | 1,243,499 | 1,310,811 |
| Unassigned | 16,621,949 | 19,280,945 | 19,527,994 | 25,105,946 | 26,379,133 | 16,309,042 | 12,059,216 | 7,314,057 | 8,269,206 | 10,845,524 |
| Total general fund | \$ 17,457,157 | \$ 20,956,500 | \$ 21,045,001 | \$ 26,293,048 | \$ 27,847,223 | \$ 26,952,671 | \$ 20,656,831 | \$ 15,671,833 | \$ 15,024,656 | \$ 17,760,413 |
| All Other Governmental Funds | | | | | | | | | | |
| Non-spendable | - | - | - | - | - | - | - | - | 11,184,545 | 11,443,717 |
| Restricted | 20,555,714 | 21,068,096 | 24,748,085 | 27,354,805 | 19,576,314 | 23,697,756 | 19,063,112 | 16,558,006 | 41,744,396 | 44,110,480 |
| Committed | - | - | - | - | - | - | - | - | 2,007,489 | 5,211,899 |
| Assigned | 7,112,747 | 5,108,988 | 4,627,065 | 71,980,338 | 18,536,628 | 25,927,119 | 4,738,444 | 4,802,848 | 3,375,086 | 6,064,720 |
| Unassigned | 42,877,220 | 55,001,474 | 50,737,536 | 51,579,009 | 46,262,108 | 51,720,722 | 56,203,130 | 37,176,386 | (413,391) | (382,397) |
| Total all other governmental funds | \$ 70,545,681 | \$ 81,178,558 | \$ 80,112,686 | \$ 150,914,752 | \$ 84,375,050 | \$ 101,345,597 | \$ 80,004,696 | \$ 58,537,240 | \$ 57,898,125 | \$ 66,448,219 |

Note: GASB 34 Implemented 2002

TABLE IV

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

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|----------------------|-----------------------|----------------------|------------------------|----------------------|------------------------|------------------------|---------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 83,762,025 | \$ 87,588,578 | \$ 91,288,185 | \$ 98,517,659 | \$ 104,038,791 | \$ 109,052,020 | \$ 98,855,921 | \$ 94,667,676 | \$ 97,675,513 | \$ 100,506,503 |
| Licenses and permits | 1,442,754 | 2,687,343 | 2,727,092 | 2,946,359 | 2,863,976 | 2,211,926 | 2,262,507 | 1,571,947 | 1,855,363 | 2,341,436 |
| Intergovernmental revenues | 11,117,950 | 8,176,008 | 18,204,501 | 10,003,225 | 8,140,070 | 12,067,485 | 16,866,068 | 15,447,798 | 12,021,488 | 12,082,661 |
| Fees and charges for services | 3,410,981 | 4,751,647 | 7,179,240 | 7,322,849 | 7,871,367 | 6,522,655 | 6,305,163 | 6,537,650 | 9,531,442 | 8,754,693 |
| Sale of capital assets | 3,976 | 18,888 | 79,164 | 197,052 | 28,793 | 42,601 | 42,204 | 215,508 | 35,552 | - |
| Fines and forfeitures | 421,146 | 319,827 | 375,497 | 290,372 | 304,993 | 527,173 | 518,267 | 526,845 | 448,621 | 370,072 |
| Rents, royalties and concessions | 298,861 | 586,737 | 99,520 | 79,202 | 165,995 | 79,490 | 130,047 | 126,043 | 219,650 | 205,990 |
| Investment income | 2,984,761 | 703,634 | 1,794,068 | 3,260,419 | 6,498,985 | 3,695,071 | 2,784,897 | 507,687 | 378,878 | 408,600 |
| Land Sales | 215,598 | 520,174 | 428,823 | 80,392 | 267,786 | 100,000 | - | - | - | 90,939 |
| Other revenues | 993,660 | 556,667 | 767,806 | 541,146 | 1,209,122 | 884,065 | 993,497 | 85,658 | 1,288,904 | 589,225 |
| Total Revenues | 104,651,712 | 105,889,503 | 122,941,696 | 123,238,675 | 131,389,878 | 135,162,486 | 128,758,371 | 120,486,812 | 123,455,612 | 125,350,319 |
| Expenditures | | | | | | | | | | |
| General government | 17,408,043 | 18,286,525 | 29,316,163 | 19,036,303 | 22,514,387 | 26,330,509 | 27,641,394 | 25,807,820 | 23,115,451 | 22,986,525 |
| Public safety | 25,981,312 | 27,719,898 | 30,499,746 | 30,740,879 | 32,864,856 | 32,809,658 | 35,979,160 | 36,866,996 | 36,797,749 | 36,273,737 |
| Public works | 6,672,385 | 6,053,746 | 6,333,134 | 6,478,166 | 7,702,612 | 6,218,207 | 6,442,473 | 6,533,194 | 9,198,763 | 6,222,086 |
| Community development | 9,633,956 | 10,000,586 | 10,846,818 | 10,606,676 | 11,160,215 | 11,217,328 | 12,785,076 | 14,766,993 | 12,093,940 | 10,154,156 |
| Culture and recreation | 8,021,152 | 8,852,562 | 10,058,953 | 10,207,370 | 10,813,078 | 11,920,461 | 12,559,894 | 11,690,820 | 11,709,686 | 10,545,655 |
| Education | 2,274,474 | 2,450,329 | 2,522,707 | 2,568,199 | 2,732,739 | 2,859,578 | 2,892,938 | 2,983,168 | 2,841,615 | 2,670,215 |
| Capital outlay | 13,359,356 | 13,532,467 | 10,329,737 | 17,210,254 | 18,273,980 | 20,319,842 | 24,638,573 | 16,150,454 | 13,392,473 | 18,196,278 |
| Capital outlay/inventory exempt | 2,776,689 | 1,698,684 | 1,316,442 | 582,837 | 3,845,167 | 5,909,298 | 6,963,610 | 4,871,841 | - | - |
| Debt Service: | | | | | | | | | | |
| Principal | 8,122,744 | 7,724,078 | 7,813,894 | 8,072,719 | 22,635,861 | 7,352,698 | 30,193,446 | 7,673,026 | 23,509,213 | 23,538,888 |
| Interest and fiscal agent fees | 5,445,493 | 5,681,334 | 5,505,673 | 6,050,067 | 10,803,454 | 5,361,324 | 6,301,926 | 5,784,564 | 6,562,034 | 6,202,697 |
| Bond issuance costs | - | - | - | - | - | - | - | - | 420,600 | 401,987 |
| Total expenditures | 99,595,614 | 102,000,189 | 114,542,267 | 111,553,470 | 143,146,047 | 130,299,103 | 166,696,490 | 133,118,876 | 139,641,524 | 137,192,024 |
| Excess of revenues over (under) | 5,056,098 | 3,889,314 | 8,399,429 | 11,685,205 | (11,756,169) | 4,863,383 | (37,940,119) | (12,632,064) | (16,185,912) | (11,841,705) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | 28,240,815 | 46,999,843 | 26,708,209 | 38,270,293 | 40,684,259 | 61,064,891 | 85,030,926 | 32,228,023 | 53,075,483 | 77,138,478 |
| Transfers out | (35,874,406) | (56,589,827) | (39,887,743) | (52,070,727) | (116,975,199) | (90,855,936) | (104,721,290) | (46,385,517) | (64,789,919) | (92,759,737) |
| HUD loan payments (flow through) | - | - | - | - | 25,656 | 7,862 | 58,866 | 7,113 | 31,815 | 30,973 |
| Other uses | - | - | - | (300,000) | - | - | - | - | - | - |
| Other sources | - | 19,880,589 | 1,716,667 | 14,986,587 | - | - | - | - | - | - |
| Issuance of Bonds: | | | | | | | | | | |
| Face value of bonds issued | - | - | 8,470,000 | 59,930,000 | 24,940,000 | 40,135,000 | 26,370,000 | - | 25,305,000 | 32,725,000 |
| Premium on issuance of bond | - | - | 133,356 | 3,548,755 | 785,088 | 1,623,540 | 872,959 | - | 2,027,264 | 4,992,779 |
| Payments to refund bond | - | - | (8,398,880) | - | - | - | - | - | - | - |
| Total other Financing sources (uses) | (7,633,591) | 10,290,605 | (11,059,392) | 64,364,908 | (50,540,196) | 11,975,357 | 7,411,481 | (14,130,381) | 15,649,623 | 22,127,493 |
| Net change in fund balances | \$ (2,577,493) | \$ 14,179,919 | \$ (2,659,963) | \$ 76,050,113 | \$ (62,296,365) | \$ 16,838,740 | \$ (30,528,658) | \$ (26,762,445) | \$ (536,289) | \$ 10,285,788 |
| Debt service as a percentage of noncapital expenditures | 15.7% | 15.2% | 12.6% | 15.0% | 26.6% | 11.6% | 25.7% | 11.5% | 23.8% | 25.0% |

Note: GASB 34 Implemented 2002

TABLE V

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

| Fiscal Year Ended June 30 | Real Property Assessed Value | Estimated Actual Value | Personal Property Assessed Value | Estimated Actual Value | Exemptions Real Property | Total Assessed Value | Total Estimated Actual Value | Ratio of Total Assessed to Total Estimated |
|------------------------------------|------------------------------------|---------------------------|---|------------------------------|--------------------------------|----------------------------|------------------------------------|--|
| 2003 | 2,141,583 | 6,431,180 | 68,192 | 204,780 | 29,939 | 2,179,836 | 6,458,054 | 33.3% |
| 2004 | 2,338,417 | 7,022,273 | 70,907 | 212,934 | 33,767 | 2,375,557 | 7,133,805 | 33.3% |
| 2005 | 2,587,264 | 7,769,562 | 71,734 | 215,417 | 36,587 | 2,622,431 | 7,875,168 | 33.3% |
| 2006 | 2,849,552 | 8,557,213 | 78,279 | 235,072 | 38,889 | 2,888,942 | 8,675,502 | 33.3% |
| 2007 | 3,138,480 | 9,424,865 | 72,456 | 217,586 | 39,751 | 3,171,185 | 9,523,081 | 33.3% |
| 2008 | 3,315,706 | 9,957,075 | 175,280 | 526,985 | 39,987 | 3,450,999 | 10,363,360 | 33.3% |
| 2009 | 3,506,494 | 10,530,012 | 67,798 | 203,598 | 68,934 | 3,505,358 | 10,526,601 | 33.3% |
| 2010 | 3,632,556 | 10,908,577 | 62,630 | 188,078 | 67,679 | 3,627,507 | 10,893,414 | 33.3% |
| 2011 | 3,655,579 | 10,977,715 | 61,775 | 185,511 | 70,146 | 3,647,208 | 10,952,577 | 33.3% |
| 2012 | 3,669,055 | 11,018,183 | 59,346 | 178,216 | 71,910 | 3,658,120 | 10,979,339 | 33.3% |

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

Source: Santa Fe County Assessor's Office

TABLE VI

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

RESIDENTIAL

| Tax Year Ended June 30 | City | State | County | School District | Santa Fe Community College | Total Residential Tax Levy |
|------------------------------|-------|-------|--------|--------------------|----------------------------------|----------------------------------|
| 2003 | 0.454 | 1.520 | 5.917 | 7.488 | 3.264 | 18.643 |
| 2004 | 0.459 | 1.028 | 5.624 | 7.162 | 3.221 | 17.494 |
| 2005 | 0.440 | 1.234 | 6.319 | 7.022 | 4.046 | 19.061 |
| 2006 | 1.033 | 1.291 | 6.147 | 6.999 | 2.220 | 17.690 |
| 2007 | 1.026 | 1.221 | 6.282 | 6.960 | 3.119 | 18.608 |
| 2008 | 1.516 | 1.250 | 6.476 | 6.982 | 3.160 | 19.384 |
| 2009 | 1.595 | 1.150 | 6.600 | 7.038 | 3.236 | 19.619 |
| 2010 | 1.772 | 1.530 | 6.570 | 7.040 | 3.220 | 20.132 |
| 2011 | 1.878 | 1.362 | 6.742 | 7.120 | 3.314 | 20.416 |
| 2012 | 1.729 | 1.360 | 6.662 | 7.048 | 3.292 | 20.091 |

NON-RESIDENTIAL

| Tax Year Ended June 30 | City | State | County | School District | Santa Fe Community College | Total Non- Residential Tax Levy |
|------------------------------|-------|-------|--------|--------------------|----------------------------------|---------------------------------------|
| 2003 | 1.292 | 1.520 | 10.608 | 7.803 | 4.046 | 25.269 |
| 2004 | 1.266 | 1.028 | 10.868 | 7.440 | 4.046 | 24.648 |
| 2005 | 1.284 | 1.234 | 11.824 | 7.443 | 4.046 | 25.831 |
| 2006 | 1.901 | 1.291 | 11.935 | 7.269 | 4.046 | 26.442 |
| 2007 | 1.945 | 1.221 | 11.856 | 7.237 | 4.030 | 26.289 |
| 2008 | 2.459 | 1.250 | 12.500 | 7.247 | 4.046 | 27.502 |
| 2009 | 2.856 | 1.150 | 13.780 | 7.310 | 4.046 | 29.142 |
| 2010 | 3.247 | 1.530 | 13.723 | 7.350 | 4.015 | 29.865 |
| 2011 | 3.560 | 1.362 | 13.701 | 7.485 | 4.015 | 30.123 |
| 2012 | 3.381 | 1.360 | 13.490 | 7.420 | 3.930 | 29.581 |

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

TABLE VII

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

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

Source: Santa Fe County Assessor's Office

TABLE VIII

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Agriculture, Forestry, Hunting, Fishing | \$ 13,323,327 | \$ 14,835,228 | \$ 14,233,052 | \$ 15,543,808 | \$ 15,220,498 | \$ 14,074,406 | \$ 15,377,597 | \$ 12,204,888 | \$ 9,879,744 | \$ 7,055,650 |
| Mining | - | 28,792 | - | - | 55,455 | 8,738 | 272,856 | - | 45,895 | 34,881 |
| Transportation, Comm., Utilities | 125,328,634 | 126,928,178 | 132,492,509 | 134,687,705 | 88,766,665 | 98,278,414 | 94,502,403 | 76,608,504 | 96,542,131 | 99,708,882 |
| Construction | 260,034,725 | 283,352,787 | 271,432,985 | 380,430,714 | 388,417,042 | 438,060,485 | 404,777,586 | 274,052,776 | 255,458,962 | 302,263,940 |
| Manufacturing | 53,881,403 | 54,428,710 | 57,877,054 | 65,874,819 | 64,132,851 | 65,750,198 | 64,959,608 | 49,920,425 | 54,372,037 | 51,923,598 |
| Wholesale | 70,050,020 | 33,008,529 | 52,857,424 | 75,216,627 | 82,666,311 | 64,371,974 | 50,164,427 | 48,175,711 | 48,886,043 | 52,366,170 |
| Retail | 1,033,008,717 | 1,111,472,486 | 1,109,047,122 | 1,174,552,952 | 989,287,438 | 987,207,613 | 948,902,960 | 891,484,336 | 884,291,670 | 899,263,874 |
| Finance, Insurance & Real Estate | 76,265,903 | 90,920,308 | 101,515,174 | 112,402,443 | 111,654,920 | 108,156,523 | 89,584,306 | 80,082,754 | 81,396,496 | 88,446,087 |
| Services | 971,407,620 | 994,134,811 | 991,322,300 | 1,100,096,163 | 1,101,909,545 | 1,118,580,311 | 1,123,074,448 | 1,128,156,557 | 1,146,522,994 | 1,162,173,886 |
| Government | - | 19,848 | 231,683 | - | 5,802 | 9,243 | - | - | - | 15,358 |
| Unclassified/Misc. Other | 5,922,033 | 61,077,685 | 104,911,676 | 5,113,158 | 13,316,089 | 38,073,156 | 13,465,097 | 19,867,134 | 7,583,405 | 10,460,937 |
| Total | \$ 2,609,220,382 | \$ 2,750,207,390 | \$ 2,859,209,959 | \$ 3,063,918,589 | \$ 2,895,431,615 | \$ 2,931,551,059 | \$ 2,795,062,788 | \$ 2,580,583,045 | \$ 2,585,379,177 | \$ 2,693,713,241 |

Source: State of New Mexico Taxation and Revenue Department

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

Note: GASB 34 Implemented 2002

TABLE IX

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

| | 2003 | 2004 | 2005 | 2006 ⁽¹⁾ | 2007 | 2008 ⁽²⁾ | 2009 | 2010 | 2011 | 2012 |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| Agriculture, forestry, hunting | \$ 360,158 | \$ 394,162 | \$ 401,436 | \$ 455,081 | \$ 456,874 | \$ 425,121 | \$ 462,067 | \$ 380,973 | \$ 299,657 | \$ 209,901 |
| Mining | 722 | (771) | | - | 1,663 | 112 | 8,238 | 272 | 3,100 | 1,043 |
| Utilities | 101,468 | 1,502,911 | 1,216,904 | 1,543,145 | 2,240,231 | 2,312,968 | 2,244,517 | 2,283,430 | 2,126,983 | 2,511,000 |
| Construction | 7,363,629 | 7,200,207 | 7,538,377 | 9,413,746 | 11,877,725 | 13,329,669 | 11,981,369 | 8,218,948 | 7,479,285 | 8,653,011 |
| Manufacturing | 1,465,851 | 1,557,272 | 1,582,900 | 1,839,688 | 1,954,756 | 1,972,298 | 1,655,709 | 1,461,937 | 1,581,150 | 1,581,810 |
| Wholesale | 2,002,390 | 1,811,327 | 1,453,583 | 1,726,084 | 2,541,040 | 1,923,131 | 1,483,543 | 1,342,178 | 1,451,394 | 1,584,445 |
| Retail | 30,092,879 | 30,852,659 | 29,019,897 | 28,049,244 | 30,363,839 | 29,388,707 | 28,306,999 | 26,456,316 | 26,589,033 | 26,790,310 |
| Transportation & warehousing | 763,649 | 150,146 | 210,111 | 217,660 | 389,881 | 625,939 | 532,132 | 514,611 | 481,208 | 482,659 |
| Information & Cultural Indust | - | 592,009 | 1,209,249 | 1,238,465 | 1,673,707 | 1,631,339 | 1,704,690 | 2,755,004 | 3,267,602 | 3,441,276 |
| Finance & insurance | 1,726,658 | 869,778 | 775,655 | 809,785 | 960,829 | 1,168,871 | 982,546 | 881,891 | 940,872 | 944,034 |
| Real estate, rental & leasing | 429,851 | 1,853,383 | 2,019,600 | 2,474,170 | 2,450,804 | 2,094,448 | 1,639,091 | 1,474,704 | 1,442,114 | 1,673,830 |
| Prof, Scientific, Technical | - | 3,200,770 | 4,859,538 | 5,516,711 | 5,997,613 | 6,356,094 | 6,226,754 | 6,352,059 | 6,648,110 | 7,003,279 |
| Management of companies | 50,162 | 241,479 | 241,936 | 300,174 | 376,823 | 344,512 | 300,802 | 228,036 | 232,026 | 208,583 |
| Admin & Support, Waste Mgt | - | 35,204 | 101,369 | 203,807 | 289,906 | 442,406 | 445,420 | 539,050 | 794,833 | 885,692 |
| Educational Services | - | 133,238 | 185,471 | 227,896 | 254,368 | 254,901 | 258,390 | 319,473 | 491,982 | 545,237 |
| Health Care & Social Assist | - | 2,943,387 | 3,803,193 | 3,291,168 | 3,769,174 | 3,969,203 | 4,364,551 | 4,302,733 | 4,533,433 | 4,425,757 |
| Arts, Entertainment & Recr | - | 131,952 | 236,192 | 271,597 | 342,073 | 387,837 | 364,818 | 398,593 | 456,067 | 422,002 |
| Accommodation & Food | - | 4,392,307 | 7,431,444 | 8,900,411 | 10,039,922 | 10,134,875 | 9,950,881 | 9,424,398 | 9,700,468 | 9,925,719 |
| Other Services | 21,644,932 | 15,566,920 | 10,932,030 | 10,278,795 | 10,291,231 | 9,940,018 | 9,540,958 | 8,583,369 | 8,291,869 | 8,593,209 |
| Public Administration | - | 472 | 1,393 | 491 | 133 | 274 | - | - | - | 1,168 |
| Unclassified | 5,999,655 | 2,231,658 | 2,490,505 | 3,948,493 | 463,376 | 1,199,556 | 402,126 | 381,402 | 374,213 | 209,769 |
| State Reimb-Food/Med Tax-Exempt | - | - | 2,493,403 | 8,370,340 | 7,461,268 | 12,605,194 | 10,195,332 | 10,411,415 | 9,963,290 | 10,374,852 |
| Municipal Equivalent Distribution | - | - | - | - | - | - | 115,947 | 302,556 | 318,208 | 357,337 |
| Total GRT Revenue Distribution | \$ 72,002,023 | \$ 75,560,469 | \$ 78,304,266 | \$ 88,076,552 | \$ 94,197,236 | \$ 100,507,493 | \$ 93,166,880 | \$ 86,993,348 | \$ 87,468,897 | \$ 91,025,923 |
| City direct Gross Receipts Tax rate | 6.59% | 6.69% | 7.31% | 7.63% | 7.63% | 7.94% | 7.94% | 8.06% | 8.19% | 8.19% |

Note: GASB 34 Implemented 2002

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

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

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

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

TABLE X

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

| <u>Fiscal Year</u> | <u>City Direct Rate</u> | <u>Santa Fe County</u> |
|------------------------|---------------------------------|----------------------------|
| 2003 | 6.69% | 6.13% |
| 2004 | 6.69% | 6.13% |
| 2005 | 7.31% | 6.25% |
| 2006 | 7.63% | 6.31% |
| 2007 | 7.63% | 6.31% |
| 2008 | 7.94% | 6.63% |
| 2009 | 7.94% | 6.38% |
| 2010 | 8.06% | 6.50% |
| 2011 | 8.19% | 6.62% |
| 2012 | 8.19% | 6.62% |

Source: New Mexico Taxation and Revenue Department

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

Note: GASB 34 Implemented 2002

TABLE XI

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

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

Source: City of Santa Fe Cash Management and
Investment Officer

TABLE XII

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

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

Source: City of Santa Fe Cash Management and
 Investment Officer

TABLE XIII

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

GENERAL FUND EQUITY DEBT

| Fiscal Year Ended June 30 | Population ¹ | Assessed Value ² | Total General Obligation Debt Outstanding June 30 | Amount Available Debt Service Fund | Net Bonded Debt | Ratio of Net Long Term Debt To Assessed Value | Net General Long Term Debt Per Capita |
|---------------------------------|-------------------------|-----------------------------|---|---|--------------------|--|---|
| 2003 | 64,700 | \$ 2,179,835,636 | \$ - | \$ - | \$ - | - | - |
| 2004 | 65,800 | \$ 2,375,557,803 | \$ - | \$ - | \$ - | - | - |
| 2005 | 66,500 | \$ 2,622,431,696 | \$ - | \$ - | \$ - | - | - |
| 2006 | 68,359 | \$ 2,888,942,909 | \$ - | \$ - | \$ - | - | - |
| 2007 | 69,142 | \$ 3,171,185,528 | \$ - | \$ - | \$ - | - | - |
| 2008 (3) | 69,961 | \$ 3,450,998,939 | \$20,000,000 | \$ - | \$20,000,000 | 0.58% | 286 |
| 2009 | 70,661 | \$ 3,505,357,810 | \$20,000,000 | \$1,538,960 | \$18,461,040 | 0.57% | 261 |
| 2010 | 67,947 | \$ 3,627,507,187 | \$19,400,000 | \$2,003,936 | \$17,396,064 | 0.53% | 256 |
| 2011 | 68,642 | \$ 3,647,208,573 | \$28,950,000 | \$3,063,476 | \$25,886,524 | 0.79% | 377 |
| 2012 | 68,500 | \$3,656,120,170 | \$27,710,000 | 3,431,635 | \$24,278,365 | 0.76% | 354 |

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

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

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

TABLE XIV

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

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

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

TABLE XV

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

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

Ratios:

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

TABLE XVI

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

Legal Debt Margin Calculation for Fiscal Year 2010

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Debt Limit | \$ 87,193,425 | \$ 95,022,312 | \$ 104,897,268 | \$ 115,557,716 | \$ 126,847,421 | \$ 138,039,594 | \$ 140,214,312 | \$ 145,100,287 | \$ 145,888,343 | \$ 146,244,807 |
| Total net debt applicable to limit | - | - | - | - | - | (20,000,000) | (20,000,000) | (19,400,000) | (28,950,000) | (27,710,000) |
| Legal debt margin | \$ 87,193,425 | \$ 95,022,312 | \$ 104,897,268 | \$ 115,557,716 | \$ 126,847,421 | \$ 118,039,594 | \$ 120,214,312 | 125,700,287 | 116,938,343 | 118,534,807 |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 14.49% | 14.28% | 13.37% | 19.84% | 18.95% |

TABLE XVII

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

| Solid Waste System Bonds (1) | | | | | | |
|------------------------------|-------------------|--------------------------------|---|--------------|----------|----------|
| Fiscal Year End | Gross Revenues | Less: Operating Expenses | Net Revenue Available for Debt Service | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| 2003 | 9,168,144 | 7,313,927 | 1,854,217 | 975,000 | 130,176 | 1.68 |
| 2004 | 8,758,678 | 7,389,506 | 1,369,172 | 830,000 | 79,800 | 1.50 |
| 2005 | 9,002,479 | 7,568,713 | 1,433,766 | 775,000 | 38,750 | 1.76 |
| 2006 | 9,586,034 | 8,177,846 | 1,408,188 | 0 | 0 | 0.00 |
| 2007 | 9,558,837 | 8,266,994 | 1,291,843 | 0 | 0 | 0.00 |
| 2008 (2) | 11,425,138 | 8,435,925 | 2,989,213 | 635,000 | 670,998 | 2.29 |
| 2009 | 12,278,761 | 8,141,442 | 4,136,319 | 665,000 | 642,423 | 3.16 |
| 2010 | 11,041,661 | 8,341,668 | 2,699,993 | 690,000 | 614,160 | 2.07 |
| 2011 | 11,861,931 | 9,609,128 | 2,252,805 | 720,000 | 584,835 | 1.73 |
| 2012 | 12,027,377 | 10,297,065 | 1,730,312 | 760,000 | 550,373 | 1.32 |

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

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

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

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

(2) Debt includes bonds and loans.

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

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

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

(3) Debt includes the bond and loans.

(continued)

TABLE XVII

| Municipal Recreation Complex Bonds (1) | | | | | | |
|--|-------------------|--------------------------------|---|--------------|----------|----------|
| Fiscal Year End | Gross Revenues | Less: Operating Expenses | Net Revenue Available for Debt Service | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| 2003 | 2,288,481 | 740,862 | 1,547,619 | 495,000 | 973,632 | 1.05 |
| 2004 | 2,433,497 | 817,025 | 1,616,472 | 515,000 | 949,227 | 1.10 |
| 2005 | 2,392,543 | 1,740,581 | 651,962 | 545,000 | 923,133 | 0.44 |
| 2006 | 2,280,039 | 1,578,402 | 701,637 | 580,000 | 894,988 | 0.48 |
| 2007 | 2,097,707 | 1,583,318 | 514,389 | 670,000 | 606,128 | 0.40 |
| 2008 | 2,382,508 | 1,533,264 | 849,244 | 705,000 | 579,328 | 0.66 |
| 2009 | 2,661,658 | 1,564,447 | 1,097,211 | 735,000 | 554,653 | 0.85 |
| 2010 | 2,188,038 | 1,438,896 | 749,142 | 760,000 | 528,928 | 0.58 |
| 2011 | 2,017,133 | 1,156,748 | 860,385 | 790,000 | 500,428 | 0.67 |
| 2012 | 2,218,524 | 1,186,553 | 1,031,971 | 825,000 | 468,828 | 0.80 |

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

| Convention Center Bonds (1) | | | | | | |
|-----------------------------|-------------------|--------------------------------|---|--------------|--------------|----------|
| Fiscal Year End | Gross Revenues | Less: Operating Expenses | Net Revenue Available for Debt Service | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| 2008 (2) | 1,393,947.00 | 671,547.00 | 722,400.00 | 285,000.00 | 1,968,800.00 | 0.32 |
| 2009 | 4,735,197.00 | 1,437,626.00 | 3,297,671.00 | 895,000.00 | 2,441,716.00 | 0.99 |
| 2010 | 3,939,717.00 | 1,709,132.00 | 2,230,585.00 | 1,010,000.00 | 2,345,325.00 | 0.66 |
| 2011 | 3,041,881.00 | 1,672,968.00 | 1,368,913.00 | 1,035,000.00 | 2,308,350.00 | 0.41 |
| 2012 | 5,109,312.00 | 1,494,863.00 | 3,614,449.00 | 1,085,000.00 | 2,270,413.00 | 1.08 |

(1) Revenues pledged for 2012 included convention center lodger's tax revenues of \$4,081,186.

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

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

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

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

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

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

TABLE XVIII

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

(UNAUDITED)

| Fiscal Year | Government Activities | | | | | | Business-Type Activities | | | | | | Total Primary Government | Percent of Personal Income ¹ | Per Capita |
|-------------|-----------------------|----------------------|------------|--------------|-----------|---------------|--------------------------|-------------------------|-------------|------------------|-------------------|------------|--------------------------|---|------------|
| | GRT Bonds | General Oblig. Bonds | NMFA Loans | HUD 100 Loan | SFPS Loan | Capital Lease | MRC Bonds | Convention Center Bonds | Water Bonds | Wastewater Bonds | Solid Waste Bonds | NMFA Loans | | | |
| 2003 | 105,955,000 | - | - | - | - | 1,009,886 | 17,090,000 | - | 55,435,000 | - | - | 1,755,647 | 191,245,313 | 10.63% | 2,956 |
| 2004 | 117,210,000 | - | - | - | - | 482,888 | 16,575,000 | - | 62,500,000 | - | - | 1,604,296 | 198,352,164 | 10.52% | 3,014 |
| 2005 | 109,810,000 | - | 1,168,887 | 300,000 | - | 110,959 | 16,030,000 | - | 59,330,000 | - | - | 7,135,548 | 193,983,174 | 9.89% | 2,917 |
| 2006 | 161,900,000 | - | 18,021,535 | 299,000 | - | 1,033,941 | 14,515,000 | - | 55,905,000 | - | - | 5,686,877 | 255,361,153 | 12.14% | 3,736 |
| 2007 | 164,345,000 | - | 15,881,874 | 298,000 | - | 770,795 | 13,845,000 | - | 53,785,000 | - | - | 14,221,135 | 263,148,604 | 12.01% | 3,805 |
| 2008 | 92,615,000 | 20,000,000 | 15,739,976 | 297,000 | - | 520,046 | 13,140,000 | 50,505,000 | 49,790,000 | 28,895,000 | 13,710,000 | 28,962,201 | 312,174,223 | 13.71% | 4,482 |
| 2009 | 85,435,000 | 20,000,000 | 19,114,530 | 279,000 | - | 261,059 | 12,405,000 | 49,610,000 | 47,685,000 | 25,775,000 | 13,145,000 | 29,150,052 | 302,859,641 | 13.04% | 4,286 |
| 2010 | 78,660,000 | 19,400,000 | 18,834,504 | 261,000 | 560,000 | - | 11,645,000 | 48,600,000 | 105,310,000 | 24,535,000 | 12,455,000 | 59,086,883 | 379,347,397 | 18.76% | 5,583 |
| 2011 | 71,545,000 | 28,950,000 | 18,213,291 | 243,000 | 280,000 | - | 10,855,000 | 4,755,500 | 102,465,000 | 23,170,000 | 11,735,000 | 47,505,487 | 319,718,278 | 15.49% | 4,658 |
| 2012 | 82,630,000 | 27,710,000 | 17,572,603 | 225,000 | - | - | 10,030,000 | 46,480,000 | 99,515,000 | 20,105,000 | 10,975,000 | 46,515,124 | 361,757,727 | 17.39% | 5,281 |

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

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

GRT/revenue debt for solid waste, convention center and wastewater was reclassified FY 2007-2008 to respective enterprise funds

¹ SFPS is Santa Fe Public Schools for land purchase.

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

TABLE XIX

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

| Year | Population | Personal Income (thousands of dollars) | Per Capita Personal Income | Unemployment Rate |
|------|------------|---|-------------------------------------|----------------------|
| 2001 | 63,000 | 1,651,734 | 26,218 | 3.60% |
| 2002 | 63,500 | 1,714,754 | 27,004 | 3.80% |
| 2003 | 64,700 | 1,799,566 | 27,814 | 4.30% |
| 2004 | 65,800 | 1,885,104 | 28,649 | 4.30% |
| 2005 | 66,500 | 1,962,282 | 29,508 | 4.50% |
| 2006 | 68,359 | 2,103,816 | 30,776 | 3.50% |
| 2007 | 69,142 | 2,191,041 | 31,689 | 3.10% |
| 2008 | 69,961 | 2,276,951 | 32,546 | 3.30% |
| 2009 | 70,661 | 2,322,698 | 32,871 | 6.70% |
| 2010 | 67,947 | 2,022,238 | 29,762 | 5.60% |
| 2011 | 68,642 | 2,172,587 | 31,651 | 5.00% |

Source: The City of Santa Fe's Planning Department

POPULATION:

| YEAR | CITY | COUNTY | STATE |
|------|--------|---------|-----------|
| 2001 | 63,000 | 130,915 | 1,829,146 |
| 2002 | 63,500 | 134,525 | 1,855,059 |
| 2003 | 64,700 | 138,000 | 1,874,614 |
| 2004 | 65,800 | 141,000 | 1,903,289 |
| 2005 | 66,500 | 144,000 | 1,928,384 |
| 2006 | 68,359 | 144,809 | 1,954,599 |
| 2007 | 69,142 | 146,295 | 1,964,402 |
| 2008 | 69,961 | 147,781 | 1,984,356 |
| 2009 | 70,661 | 149,870 | 2,009,671 |
| 2010 | 67,947 | 144,170 | 2,059,179 |
| 2011 | 68,642 | 145,648 | 2,082,224 |

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

Estimates for State for State population for 2000-2011 were provided by the Bureau of Business and Economic Research and U.S. Census

AGE PROFILE:

| AGE | CITY | STATE | UNITED STATES |
|-------|---------|---------|------------------|
| 0-19 | 20.80% | 28.20% | 26.90% |
| 20-34 | 17.60% | 19.90% | 20.30% |
| 35-44 | 12.60% | 12.10% | 13.30% |
| 45-54 | 14.60% | 14.10% | 14.60% |
| 55+ | 34.40% | 25.70% | 24.90% |
| | 100.00% | 100.00% | 100.00% |

Source: Age profile for, "State and United States," U.S. Department of Commerce released December 2010.

(Continued)

TABLE XIX

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

INCOME PROFILE:

HOUSEHOLD INCOME DISTRIBUTION, SANTA FE COUNTY, 2000:

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

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

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

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

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

(Continued)

TABLE XIX

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

PUBLIC SCHOOL DISTRICT ENROLLMENT

The Santa Fe Public School District consists of 21 elementary schools (which includes kindergarden), 4 mid-high schools, and 2 high schools.

| YEAR | PRE-KINDERGARTEN KINDERGARTEN | 1-6 | 7-12 | SPECIAL EDUCATION | TOTAL |
|------|----------------------------------|-------|-------|----------------------|--------|
| 2001 | 1,011 | 6,860 | 5,507 | 0 | 13,378 |
| 2002 | 1,015 | 6,879 | 5,199 | 0 | 13,093 |
| 2003 | 1,094 | 6,745 | 5,626 | 0 | 13,465 |
| 2004 | 1,056 | 6,819 | 5,882 | 0 | 13,557 |
| 2005 | 1,292 | 6,770 | 5,673 | 0 | 13,735 |
| 2006 | 1,269 | 6,796 | 5,675 | 0 | 13,740 |
| 2007 | 1,241 | 6,850 | 5,274 | 0 | 13,365 |
| 2008 | 1,216 | 6,947 | 5,395 | 0 | 13,558 |
| 2009 | 1,164 | 7,061 | 5,386 | 0 | 13,591 |
| 2010 | 1,256 | 7,157 | 5,271 | 0 | 13,684 |
| 2011 | 1,249 | 7,187 | 5,361 | 0 | 13,797 |

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

Source: New Mexico Department of Education

PRIVATE SCHOOL DISTRICT ENROLLMENT-ASSESS EVALUATION UNIT

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

| YEAR | KINDERGARTEN | 1-6 | 7-12 | SPECIAL EDUCATION | TOTAL |
|------|--------------|-----|-------|----------------------|-------|
| 2001 | 263 | 868 | 1,700 | 0 | 2,831 |
| 2002 | 222 | 872 | 2,258 | 0 | 3,352 |
| 2003 | 275 | 847 | 2,244 | 0 | 3,366 |
| 2004 | 216 | 805 | 2,263 | 0 | 3,284 |
| 2005 | 188 | 820 | 2,379 | 0 | 3,387 |
| 2006 | 150 | 808 | 1,600 | 0 | 2,558 |
| 2007 | 195 | 859 | 1,643 | 0 | 2,697 |
| 2008 | 482 | 875 | 2,379 | 0 | 3,736 |
| 2009 | 394 | 835 | 2,326 | 0 | 3,555 |
| 2010 | 370 | 827 | 2,254 | 0 | 3,451 |
| 2011 | N/A | N/A | N/A | N/A | N/A |

Source: New Mexico Department of Education

(Continued)

TABLE XIX

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

HIGHER EDUCATION ENROLLMENT

| School Year Ending | College of Santa Fe | Santa Fe Community College | St. Johns College | UNM Graduate Center | Institute of Indian Arts |
|-----------------------|------------------------|----------------------------------|----------------------|------------------------|-----------------------------|
| 2001 | 2,392 | 8,421 | 516 | 118 | 146 |
| 2002 | 2,369 | 8,635 | 467 | 118 | 194 |
| 2003 | 2,520 | 8,756 | 444 | 82 | 199 |
| 2004 | 2,565 | 9,747 | 450 | 15 | 182 |
| 2005 | 2,543 | 8,592 | 463 | 34 | 231 |
| 2006 | 2,576 | 8,537 | 473 | 40 | 239 |
| 2007 | 2,614 | 8,981 | 473 | 50 | 327 |
| 2008 | 2,121 | 9,039 | 483 | 33 | 270 |
| 2009 | 931 | 9,393 | 473 | 69 | 325 |
| 2010 | 268 | 9,799 | 463 | N/A | 442 |
| 2011 | N/A | 9,505 | 490 | 221 | 539 |

Source: Individual Institutions

TABLE XX

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

| CALENDAR YEAR | PROPERTY VALUE ¹ | CONSTRUCTION PERMITS ² | |
|------------------|--------------------------------|-----------------------------------|-------------|
| | | ISSUED | VALUE |
| 2003 | 4,053,243,194 | 6,006 | 135,332,034 |
| 2004 | 4,374,594,705 | 6,722 | 160,606,719 |
| 2005 | 4,887,341,479 | 6,871 | 487,596,832 |
| 2006 | 5,405,014,766 | 7,076 | 249,530,361 |
| 2007 | 6,074,890,747 | 6,224 | 213,697,011 |
| 2008 | 6,550,808,648 | 4,925 | 142,844,833 |
| 2009 | 6,736,975,380 | 3,864 | 136,960,866 |
| 2010 | 6,890,742,053 | 3,870 | 125,204,260 |
| 2011 | 6,916,810,418 | 4,161 | 105,449,986 |
| 2012 | 6,896,495,216 | 4,751 | 179,671,299 |

Utility Connections

| CALENDAR YEAR | WATER METERS ³ | ELECTRIC METERS ⁴ | GAS METERS ⁵ |
|------------------|------------------------------|---------------------------------|-------------------------|
| 2004 | 33,734 | 64,199 | 43,876 |
| 2005 | 35,287 | 66,124 | 45,192 |
| 2006 | 36,169 | 68,107 | 46,547 |
| 2007 | 37,073 | 70,150 | 47,943 |
| 2008 | 37,991 | 72,254 | 49,381 |
| 2009 | 39,131 | 74,422 | 50,862 |
| 2010 | 39,393 | 76,654 | 52,387 |
| 2011 | 39,642 | 77,107 | 52,764 |
| 2012 | 39,856 | 77,338 | 52,888 |

Source:

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

² City of Santa Fe Building Inspectors Office.

³ Sangre De Cristo Water Division

⁴ Public Service Company of New Mexico

⁵ New Mexico Gas Company

TABLE XXI

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

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

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

TABLE XXII

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

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

Source: City of Santa Fe Budget Office

TABLE XXIII

CITY OF SANTA FE, NEW MEXICO
SCHEDULE OF INSURANCE IN FORCE
June 30, 2012
(Unaudited)

| Insurance Carrier/Description | Policy # | Term | Coverage Limits | Annual Premium | Deductible | Miscellaneous |
|---|---------------------------------------|--|---|------------------------------------|----------------------------------|--------------------------|
| I City of Santa Fe Self Insurance A Worker's Compensation B Group Health Insurance | | Jul 01 - Jun 30 | Maximum benefits under law Unlimited | \$300,000 \$12,984,016 | \$500,000 | (Medical and indemnity) |
| II Midwest Employers Casualty Company Excess Worker's Compensation | SP-9938-NM | July 1 - June 30 | Statutory limit | \$102,293 | \$600,000 | Self-Insured Retention |
| III St. Paul Insurance Company Public Entity Package A Public Building Contents/Pers. Prop B General Liability | GPO6301413 | July 1 - June 30 | \$250,000,000 Aggregate \$3 million, \$1,050,000 tort limit | \$1,674,998 | \$75,000 \$50,000 | Self-Insured Retention |
| C Foreign Jurisdiction | | | \$1,050,000 | | \$50,000 | Self-Insured Retention |
| D Auto Liability | | | \$1,050,000 | | \$50,000 | |
| 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 | \$382,708 | \$50,000 | |
| I Public Officials & Employment Practices | | | \$4,000,000 | \$95,707 | \$100,000 | |
| IV Travelers Indemnity Company Boiler/Machinery Hazardous Substance Water Damage Ammonia Contamination Expediting Expenses Ordinance or Law | 0439MG2092X05501002 | July 1 - June 30 | \$10,000,000 \$100,000 \$100,000 \$100,000 \$100,000 \$100,000 \$500,000 | \$28,458 | \$5,000 | |
| V HUB International A Ace Property & Casualty Insurance Company Airport General Liability | AAPN0097857A | July 1 - June 30 | \$20,000,000 | \$12,300 | \$2,500 | |
| VI United Health Care Insurance Company A Specific Stop Loss B Aggregate Stop Loss C Supplemental Life | 26081-1 | Aug 31 - Aug 31 | Medical in excess of \$200,000 \$2,000,000 2x annual salary-Natural death, 4x annual salary-Accidental death | \$654,855 \$86,228 \$429,751 | | Stoplosses |
| VII Zurich American Insurance Company Underground Storage Tank Liability | USC 92723045 | July 1 - June 30 | \$1,000,000 Total | \$5,134 | \$5,000 | |
| VIII Charis A Pollution Legal Liability B Santa Fe Solid Waste Mgmt. Agency C Fiduciary Employee Benefit Plan | PLS2673957 EG 2671908 672-82-86 | July 1 - June 30 July 1 - June 30 July 1 - June 30 | \$2,000,000 aggregate \$1,000,000 \$2,500,000 aggregate | \$70,299 \$34,582 \$12,300 | \$50,000 \$25,000 \$25,000 | Retention |
| IX Fireman's Fund Exhibition Floater | (MX)-98307070 | July 1 - June 30 | \$25,000 | \$1,000 | \$500 | |
| X St. Paul Insurance Co. Skateboard/BMX/Track/Parks | GPO6301413 | July 1 - June 30 | \$1,000,000 aggregate | incl in Blanket Policy | \$50,000 | Self Insurance Retention |

TABLE XXIV

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

Form of Government

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

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

| | |
|---|------------------|
| Year of incorporation | 1891 |
| City area (square miles) | 46.3 |
| Fire Protection | |
| Number of stations (Manned and Unmanned) | 10 |
| Total employees (Includes 9 Civilians) | 158 |
| Police Protection | |
| Number of stations | 3 |
| Total employees (Includes 44 Civilians) | 202 |
| Parks | |
| Acreage (developed, not open space or trails) | 923 |
| Number of parks | 68 |
| Community centers and recreational buildings | 3 |
| Swimming pools | 4 |
| Tennis courts | 19 |
| Libraries | |
| Holdings | 380,306 items |
| Circulation | 736,478 per year |
| Municipal Sewer | |
| Number of sewer accounts | 36,305 |
| Miles of sanitary lines | 347 |

Notes:

Data as of June 30, 2012

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Supplementary Schedules

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CITY OF SANTA FE, NEW MEXICO
COMBINED SCHEDULE OF DEPOSITS AND INVESTMENTS
(RECONCILIATION OF BANK BALANCE TO CARRYING BALANCE)
ALL FUNDS
June 30, 2012

| | Type of Account | Bank Balance | Outstanding Checks | Deposits In Transit | Carrying Balance | FAIR VALUE |
|--|-----------------|-----------------------|---------------------|---------------------|-----------------------|-----------------------|
| Change, imprest funds | Petty cash | \$ - | \$ - | | \$ 24,288 | \$ 24,288 |
| Deposits with financial institutions: | | | | | | |
| Wells Fargo Bank - General Liability | Checking | 58,360 | 100,050 | - | (40,690) | (40,690) |
| Wells Fargo Bank - Workers' Comp | Checking | 49,620 | 41,582 | 11,715 | 18,743 | 18,743 |
| Wells Fargo Bank - HUD Loan Repayment | Checking | 1,911 | - | - | 1,911 | 1,911 |
| Wells Fargo Bank - HUD Debt Service Reserve | Checking | 40,054 | - | - | 40,054 | 40,054 |
| Wells Fargo Bank - Common | Checking | 275,793 | - | - | 275,793 | 275,793 |
| Wells Fargo Bank - Overland Sweep | Sweep | 10,915,038 | 1,327,122 | 528,364 | 10,117,280 | 10,117,280 |
| Wells Fargo Bank - Credit Card | Checking | - | - | 90,022 | 90,022 | 90,022 |
| Wells Fargo Bank - Payroll | Checking | 3,122,780 | 1,970,376 | 2,182 | 1,154,566 | 1,154,566 |
| Wells Fargo Bank - Business Savings | Savings | 36,410,176 | - | - | 36,410,176 | 36,410,176 |
| First National Bank of Santa Fe Savings | Checking | 6,722,566 | - | - | 6,722,566 | 6,722,566 |
| The Huntington National Bank-Redflex Camera | Checking | 62,116 | - | - | 62,116 | 62,116 |
| New Mexico Finance Auth - Fire Vehicle Loan-Reserve | Trust | 117,184 | - | - | 117,184 | 117,184 |
| New Mexico Finance Auth - Fire Vehicle | Trust | 29 | - | - | 29 | 29 |
| New Mexico Finance Auth -Parking Garage | Trust | 3 | - | - | 3 | 3 |
| New Mexico Finance Auth - Rallyard I Reserve Taxabi | Trust | 52,975 | - | - | 52,975 | 52,975 |
| New Mexico Finance Auth - College of Santa Fe | Trust | 6 | - | - | 6 | 6 |
| New Mexico Finance Auth -SWAMA Reserve | Trust | 100,444 | - | - | 100,444 | 100,444 |
| New Mexico Finance Auth -SWAMA | Trust | 1 | - | - | 1 | 1 |
| New Mexico Finance Auth - Other Loan Acnts < \$1 | Trust | 2 | - | - | 2 | 2 |
| Century Bank-Certificate of Deposit | Time Deposit | 250,000 | - | - | 250,000 | 250,000 |
| Guadalupe Credit Union-CD | Time Deposit | 250,000 | - | - | 250,000 | 250,000 |
| State Employees Credit Union-CD | Time Deposit | 250,000 | - | - | 250,000 | 250,000 |
| Los Alamos National Bank-CD | Time Deposit | 250,000 | - | - | 250,000 | 250,000 |
| Los Alamos National Bank-CD | Time Deposit | 10,000,000 | - | - | 10,000,000 | 10,000,000 |
| Community Bank-CD | Time Deposit | 500,000 | - | - | 500,000 | 500,000 |
| Community Bank-CD | Time Deposit | 2,500,000 | - | - | 2,500,000 | 2,500,000 |
| First National Bank of Santa Fe | Time Deposit | 279,124 | - | - | 279,124 | 279,124 |
| First National Bank of Santa Fe | Time Deposit | 1,000,000 | - | - | 1,000,000 | 1,000,000 |
| First National Bank of Santa Fe | Time Deposit | 2,000,000 | - | - | 2,000,000 | 2,000,000 |
| First National Bank of Santa Fe | Time Deposit | 3,000,000 | - | - | 3,000,000 | 3,000,000 |
| Wells Fargo Bank | Time Deposit | 10,000,000 | - | - | 10,000,000 | 10,000,000 |
| Total bank and carrying balances | | 88,210,162 | 3,439,140 | 632,283 | 85,403,305 | 85,403,305 |
| Wells Fargo Gov't Money Market - 2009A&B Reserve-Cash | Investment | 68,534 | - | - | 68,534 | 68,534 |
| Wells Fargo Gov't Money Market - 2009A&B Reserve-Bonds | Investment | 5,275,000 | - | - | 5,275,000 | 5,275,000 |
| Wells Fargo Government Money Market - Cash | Investment | 125,700 | - | - | 125,700 | 125,700 |
| NM State Local Government Investment Pool (LGIP) | Investment | 682,557 | - | - | 682,557 | 682,557 |
| NM State LGIP Reserve Contingency Fund | Investment | 20,301 | - | - | 20,301 | 20,301 |
| U.S. Government Agency Securities | Investment | 123,014,021 | - | - | 123,014,021 | 123,014,021 |
| New Mexico Municipal Securities | Investment | 1,865,000 | - | - | 1,865,000 | 1,865,000 |
| Total investment balances | | 131,051,113 | - | - | 131,051,113 | 131,051,113 |
| Total Accounts | | 219,261,275 | 3,439,140 | 632,283 | 216,478,708 | 216,478,708 |
| Less: joint venture share of pooled cash | | (20,894,720) | - | - | (20,894,720) | (20,894,720) |
| TOTAL | | \$ 198,366,555 | \$ 3,439,140 | \$ 632,283 | \$ 195,683,986 | \$ 195,683,986 |

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

| | Bank Balance | Total Unsecured Public Funds | Pledged Securities Market Value | Maturity Date |
|---|-----------------|---------------------------------|------------------------------------|------------------|
| WELLS FARGO BANK: | | | | |
| <u>Non-Interest Bearing Accounts</u> | | | | |
| General Liability Checking | 59,360 | | | |
| Worker's Comp. Checking | 49,620 | | | |
| HUD Debt Service Reserve Checking | 1,911 | | | |
| Common Checking | 275,793 | | | |
| Payroll Checking | 3,122,760 | | | |
| Total Checking Requiring Collateral | 3,509,444 | | | |
| Federal Depository Insurance - 100% on NIB | (3,509,444) | | | |
| Total Unsecured Public Funds - NIB | | | | |
| *NIB = Non-Interest Bearing Accounts | | | | |
| <u>Interest Bearing Accounts</u> | | | | |
| HUD Debt Service Reserve Checking | 40,054 | | | |
| Savings | 36,410,176 | | | |
| Certificate of Deposit | 10,000,000 | | | |
| Total Requiring Collateral | 46,450,230 | | | |
| Federal Depository Insurance | (250,000) | | | |
| Total Unsecured Public Funds - Interest Bearing | | 46,200,230 | | |
| Total Unsecured Public Funds | | 46,200,230 | | |
| <u>Collateral held by Bank of New York Mellon</u> | | | | |
| FNMA, CUSIP 3138A2BQ1 | | | (48,070,069) | 12/01/40 |
| FNMA, CUSIP 31418AD98 | | | (1,418,513) | 03/01/42 |
| Total Pledged Collateral | | | (49,488,582) | |
| Difference Between Pledged Collateral and Unsecured Funds | | | (3,288,352) | |
| 102% pledged collateral requirement | | | 47,124,235 | |
| Total Pledged Collateral | | | (49,488,582) | |
| Pledged collateral (over) under 102% requirement | | | (2,364,347) | |
| <u>Sweep Account - Collateralized Separately</u> | | | | |
| Sweep Repurchase Account | 10,916,038 | | | |
| Total Requiring Collateral | 10,916,038 | | | |
| Federal Deposit Insurance | 0 | | | |
| Total Unsecured Public Funds | | 10,916,038 | | |
| <u>Collateral Held In Wells Fargo Bank Pooled Collateral Account At Federal Reserve Bank of San Francisco</u> | | | | |
| FHG-3, CUSIP 31292LFZ3 | | | (11,134,359) | 04/01/42 |
| Total Pledged Collateral | | | (11,134,359) | |
| Difference between Pledged Collateral and Unsecured Funds | | | (218,321) | |
| 102% pledged collateral requirement | | | 11,134,359 | |
| Total Pledged Collateral | | | (11,134,359) | |
| Pledged collateral (over) under 102% requirement ** | | | (0) | |

(continued)

| | Bank Balance | Total Unsecured Public Funds | Pledged Securities Market Value | Maturity Date |
|--|------------------|---------------------------------|------------------------------------|------------------|
| <u>FIRST NATIONAL BANK OF SANTA FE:</u> | | | | |
| Certificate of Deposit | 3,000,000 | | | |
| Certificate of Deposit | 2,000,000 | | | |
| Certificate of Deposit | 1,000,000 | | | |
| Certificate of Deposit | 279,124 | | | |
| Savings | 6,722,568 | | | |
| Total Checking Requiring Collateral | 13,001,690 | | | |
| <u>Federal Deposit Insurance</u> | <u>(250,000)</u> | | | |
| Total Unsecured Public Funds | | 12,751,690 | | |
| <u>Collateral Held by Federal Reserve Bank of Boston</u> | | | | |
| FNMS, CUSIP 31371RMM5 | | | (128,285) | 02/01/33 |
| FNMS, CUSIP 3138AW4W0 | | | (9,887,735) | 11/01/28 |
| FNMS, CUSIP 31418AAK4 | | | (4,684,585) | 11/01/21 |
| Subtotal Collateral | | | <u>(14,700,605)</u> | |
| Difference between Pledged Collateral and Unsecured Funds | | | <u>(1,948,915)</u> | |
| 102% pledged collateral requirement | | | 13,006,724 | |
| Total Pledged Collateral | | | <u>(14,700,605)</u> | |
| Pledged collateral (over) under 100% requirement | | | <u>(1,693,881)</u> | |
| <u>LOS ALAMOS NATIONAL BANK</u> | | | | |
| Certificate of Deposit | 10,000,000 | | | |
| Certificate of Deposit | 250,000 | | | |
| <u>Federal Deposit Insurance</u> | <u>(250,000)</u> | | | |
| Total Unsecured Public Funds | | 10,000,000 | | |
| <u>Collateral Issued by Federal Home Loan Bank of Dallas</u> | | | | |
| Letter of Credit | | | (6,250,000) | 10/22/12 |
| Letter of Credit | | | <u>(4,000,000)</u> | 05/15/13 |
| Total Pledged Collateral | | | <u>(10,250,000)</u> | |
| Difference between Pledged Collateral and Unsecured Funds | | | <u>(250,000)</u> | |
| 102% pledged collateral requirement | | | 10,200,000 | |
| Total Pledged Collateral | | | <u>(10,250,000)</u> | |
| Pledged collateral (over) under 100% requirement | | | <u>(50,000)</u> | |
| <u>COMMUNITY BANK</u> | | | | |
| Certificate of Deposit | 2,500,000 | | | |
| Certificate of Deposit | 500,000 | | | |
| Total Requiring Collateral | 3,000,000 | | | |
| <u>Federal Deposit Insurance</u> | <u>(250,000)</u> | | | |
| Total Unsecured Public Funds | | 2,750,000 | | |
| <u>Collateral:</u> | | | | |
| Federal Reserve Bank of Boston: FHLB, CUSIP 313375RNR | | | (302,973) | 03/11/16 |
| Federal Home Loan Bank of Dallas: Letter of Credit (100%)** | | | <u>(2,500,000)</u> | 02/19/13 |
| Total Pledged Collateral | | | <u>(2,802,973)</u> | |
| Difference between Pledged Collateral and Unsecured Funds | | | <u>(52,973)</u> | |
| 100% and 102% pledged collateral requirements | | | 2,756,000 | |
| Total Pledged Collateral | | | <u>(2,802,973)</u> | |
| Pledged collateral (over) under 100% requirement** | | | <u>(47,973)</u> | |

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

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

| | | | | Balance June 30, 2012 | ALLOWANCE FOR DEPRECIATION | | |
|--------------------------------|-----------------------------|---------------|-----------------|-----------------------------|-----------------------------------|---|-------------------------------------|
| | Balance June 30, 2011 | Additions | Deletions | | Current Fiscal Year Deprec. | Accumulated Balance June 30, 2011 | Net Asset Value June 30, 2012 |
| Enterprise funds | | | | | | | |
| Land | \$ 38,260,558 | \$ - | \$ - | \$ 38,260,558 | \$ - | \$ - | \$ 38,260,558 |
| Water Rights | 916,367 | 16,292 | - | 932,659 | - | - | 932,659 |
| Buildings and structures | 186,637,479 | 5,866,815 | (17,266) | 192,487,028 | 4,384,992 | 38,459,645 | 154,027,383 |
| Improvements | 82,426,409 | 14,140,577 | - | 96,566,986 | 7,384,649 | 54,726,577 | 41,840,409 |
| Sewerlines and Utility Systems | 102,885,247 | 136,740 | - | 103,021,987 | 3,787,749 | 59,143,303 | 43,879,684 |
| Equipment and machinery | 20,539,637 | 394,244 | (502,016) | 20,431,865 | 1,395,012 | 15,702,525 | 4,789,340 |
| Furniture and fixtures | 774,049 | - | (89,513) | 684,536 | 11,198 | 665,450 | 19,086 |
| Vehicles | 24,690,838 | 1,840,978 | (1,364,974) | 25,166,842 | 1,790,352 | 16,068,320 | 9,098,522 |
| Intangible plant | 57,625 | - | - | 57,625 | - | 57,625 | - |
| Data processing and software | 3,351,430 | 154,910 | (232,791) | 3,273,549 | 189,527 | 2,286,109 | 987,440 |
| Art | 185,971 | - | - | 185,971 | - | - | 185,971 |
| Construction in progress | 177,679,207 | 15,338,772 | (14,254,662) | 178,763,317 | - | - | 178,763,317 |
| Total - primary government | 638,464,817 | 37,889,328 | (16,461,222) | 659,892,923 | 18,943,479 | 187,109,554 | 472,783,369 |
| Total Proprietary funds | \$ 638,464,822 | \$ 37,889,328 | \$ (16,461,222) | \$ 659,892,923 | \$ 18,943,479 | \$ 187,109,554 | \$ 472,783,369 |

Other Supplementary Financial Data

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| |
|---|
| <p align="center">CITY OF SANTA FE, NEW MEXICO Schedule of Industrial Revenue Bonds Authorized and Outstanding As of June 30, 2012 (Unaudited)</p> |
|---|

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

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

| Fund and Purpose | Interest Rate | Date of Issue | Amount of Issue | Date of Final Maturity | Outstanding June 30, 2012 | |
|---|----------------|---------------|-----------------|------------------------|---------------------------|--------------------|
| | | | | | Issue Remaining | Total |
| Revenue bonds payable solely from state-shared taxes: | | | | | | |
| Gross receipts tax - Series 2004A | 2.00% - 5.00% | 01/14/2004 | 18,880,000 | June 1, 2018 | \$ 25,000 | |
| Series 2008 | 3.25% - 5.00% | 02/14/2008 | 17,710,000 | June 1, 2023 | 14,780,000 | |
| Series 2008 | 3.25% - 5.50% | 04/07/2008 | 20,135,000 | June 1, 2022 | 20,115,000 | |
| Series 2010A | 2.00% - 5.00% | 12/14/2010 | 15,005,000 | June 1, 2015 | 15,005,000 | |
| Series 2012A | 3.00% - 5.00% | 03/01/2012 | 37,725,000 | June 1, 2028 | 32,725,000 | |
| Total bonds payable solely from state-shared taxes | | | | | <u>82,630,000</u> | |
| General obligation bonds payable solely from property tax: | | | | | | |
| Property tax - Series 2008 | 3.75% - 5.00% | 06/10/2008 | 20,000,000 | June 1, 2028 | 17,875,000 | |
| Property tax - Series 2010 | 2.00% - 4.00% | 11/01/2010 | 10,300,000 | June 1, 2030 | 9,835,000 | |
| Total bonds payable solely from property tax | | | | | <u>27,710,000</u> | |
| Total bonds payable from tax revenue (governmental) | | | | | | \$ 110,340,000 |
| Revenue bonds payable from Enterprise funds (primary government) | | | | | | |
| Convention Center - NMFA Series 2006 | 3.75% - 4.75% | 03/28/2006 | 42,220,000 | June 16, 2035 | 38,555,000 | |
| Series 2008 GRT/CCTR Share | 3.25% - 5.50% | 04/07/2008 | 8,570,000 | June 1, 2022 | 7,925,000 | |
| Total bonds payable from Convention Center fund | | | | | <u>46,480,000</u> | |
| Solid Waste - Series 2008B | 4.25% - 5.00% | 07/31/2008 | 15,180,000 | June 1, 2023 | 10,975,000 | |
| Total bonds payable from Solid Waste fund | | | | | <u>10,975,000</u> | |
| Municipal Recreation Complex - Series 2005 | 3.50% - 4.25% | 08/30/2005 | 15,315,000 | June 1, 2024 | 10,030,000 | |
| Total bonds payable from Municipal Recreation Complex fund | | | | | <u>10,030,000</u> | |
| Water Revenue Bonds - Series 2006D | 4.25% - 5.00% | 08/09/2006 | 48,780,000 | June 1, 2025 | 41,100,000 | |
| Series 2009A&B | 2.00% - 6.20% | 12/15/2009 | 59,970,000 | June 1, 2039 | 56,415,000 | |
| Total bonds payable from Water fund | | | | | <u>97,515,000</u> | |
| Wastewater Bonds - Series 2006C | 4.125% - 5.00% | 09/29/2008 | 9,780,000 | June 1, 2021 | 8,680,000 | |
| Series 2012B | 2.00% - 5.00% | 03/01/2012 | 14,280,000 | June 1, 2022 | 13,425,000 | |
| Total bonds payable from Wastewater fund | | | | | <u>20,105,000</u> | |
| Railyard Center Refunding Bonds - Series 2010B | 2.00% - 5.00% | 12/14/2010 | 10,480,000 | 06/01/36 | 10,020,000 | |
| Total revenue bonds payable from Railyard fund | | | | | <u>10,020,000</u> | |
| Total revenue bonds payable from Enterprise funds (business-type) | | | | | | <u>197,125,000</u> |
| TOTAL LONG-TERM BOND INDEBTEDNESS | | | | | | 307,465,000 |

(continued)

| Fund and Purpose | Interest Rate | Date of Issue | Amount of Issue | Date of Final Maturity | Outstanding June 30, 2012 | |
|--|---------------|---------------|-----------------|------------------------|---------------------------|-----------------------|
| | | | | | Issue Remaining | Total |
| LOANS PAYABLE | | | | | | |
| Loans payable from 1/2% Municipal GRT | | | | | | |
| NMFA SANTAFE#18 - Land Acquisition | 2.20% - 5.04% | 08/01/2008 | 3,610,000 | 06/01/28 | 3,109,603 | |
| Total loans payable from 1/2% Municipal GRT | | | | | <u>3,109,603</u> | |
| Loans payable from Municipal GRT - Rallyard | | | | | | |
| NMFA SANTAFE#8 - Rallyard Infra. | 1.40% - 5.44% | 09/24/2004 | 579,025 | 05/01/2024 | 461,085 | |
| NMFA SANTAFE#15B - Rallyard Infra. | 5.44% - 6.12% | 10/20/2009 | 892,227 | 06/01/26 | 790,311 | |
| NMFA SANTAFE#13 - Parking Garage | 3.27% - 4.49% | 03/28/2006 | 14,986,587 | 06/01/36 | 14,304,645 | |
| Total loans payable from 1/2% Municipal GRT | | | | | <u>15,556,021</u> | |
| Total loans payable from tax revenue | | | | | | 18,865,524 |
| Loans payable from Water Enterprise Fund | | | | | | |
| NMFA SANTAFE#18 - Buckman | 0.25% | 11/02/2007 | 100,000 | 06/01/27 | 154,710 | |
| NMFA SANTAFE#19 - Buckman | 0.25% | 03/27/2009 | 400,000 | 08/01/39 | 892,683 | |
| NMFA SANTAFE#WPF4 - Buckman | 0.25% | 05/07/2010 | 800,000 | 08/01/30 | 721,786 | |
| NMFA SANTAFE#WPF6 - Buckman | 0.25% | 05/06/2011 | 400,000 | 08/01/31 | 760,942 | |
| NMFA SANTAFE#22 - Water Upgrade Project | 1.00% | 08/04/2010 | 210,777 | 06/01/31 | 201,204 | |
| NMFA SANTAFE#DW-2 - Buckman | 2.00% | 05/16/2008 | 15,150,000 | 08/01/29 | 13,242,823 | |
| NMFA SANTAFE#DW-3 - Green Energy Effic. | 2.00% | 08/13/2010 | 250,000 | 06/01/32 | 280,736 | |
| NMFA SANTAFE#WPF3 - Canyon Rd. Treatm | 0.25% | 06/12/2009 | 400,000 | 06/01/39 | 341,269 | |
| NMFA SANTAFE#WPF5 - Watershed Manage | 0.25% | 05/07/2010 | 284,892 | 06/01/20 | 212,441 | |
| NMFA SANTAFE#WPF7 - Canyon Rd. Reserv | 0.25% | 09/06/2011 | 300,000 | 06/01/31 | 285,353 | |
| Total loans payable from Water Fund | | | | | <u>18,893,747</u> | |
| Total loans payable from Enterprise Funds | | | | | | 18,893,747 |
| Loans payable from State Fire Grant | | | | | | |
| NMFA SANTAFE#10 - Fire Equipment | 87% - 3.08% | 01/14/2005 | 1,168,667 | 05/01/13 | 158,455 | |
| Total loans payable from State Fire Grant | | | | | <u>158,455</u> | |
| Loans payable from third parties | | | | | | |
| Laureate Education, Inc. facility lease: | | | | | | |
| NMFA SANTAFE#20 - College of Santa Fe | 1.81% - 8.07% | 08/14/2008 | 29,815,000 | 06/01/36 | 28,370,000 | |
| Santa Fe Business Incubator, Inc. loan payment | | | | | | |
| HUD Section 108 Loan | 3.16% | 06/30/2004 | 300,000 | 08/01/24 | 225,000 | |
| Total loans payable from third parties | | | | | <u>28,595,000</u> | |
| Total loans payable from Special Sources | | | | | | <u>28,753,455</u> |
| TOTAL LONG-TERM LOAN INDEBTEDNESS | | | | | | <u>64,312,726</u> |
| TOTAL OUTSTANDING INDEBTEDNESS | | | | | | <u>\$ 371,777,726</u> |

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

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

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

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

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

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

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

| Grantor Program Name Grant Number | State Program or Award Amount | Cash/Accrued or (Deferred) Revenue at July 1, 2011 | Cash or Receipts Recognized | Disbursements/ Expenditures | Cash/Accrued or (Deferred) Revenue at June 30, 2012 |
|--|-------------------------------------|---|-----------------------------------|--------------------------------|--|
| N.M. HIGHWAY AND TRANSPORTATION DEPARTMENT | | | | | |
| Click It or Ticket FY10-11 | 4,950 | 4,437 | 4,437 | - | - |
| Click It or Ticket FY 11-12 | 4,950 | - | - | 3,785 | 3,785 |
| Operation Buckle Down FY 10-11 | 7,740 | 1,290 | 4,008 | 2,715 | - |
| Operation Buckle Down FY 11-12 | 7,740 | - | 351 | 3,558 | 3,207 |
| Operation DWI FY 10-11 | 43,680 | 7,239 | 7,674 | 435 | - |
| Operation DWI FY 11-12 | 39,600 | - | 9,024 | 25,494 | 16,470 |
| 100 Days and Nights FY 10-11 | 8,415 | 183 | 7,736 | 7,553 | - |
| 100 Days and Nights FY 11-12 | 8,415 | - | - | 1,677 | 1,877 |
| Pedestrian Safety Law Enforcement Blitzes FY 11-12 | 4,725 | - | - | 2,394 | 2,394 |
| Statewide Expanded Operation DWI-Operation Descansos | 19,333 | 9,427 | 14,873 | 5,446 | - |
| Statewide Expanded Operation DWI-Operation Descansos | 26,500 | - | 11,420 | 11,420 | - |
| City Vehicle Seizure Program -VSP-FY 10-11 | 50,000 | 33,333 | 50,000 | 16,667 | - |
| City Vehicle Seizure Program FY 11-12 | 150,000 | - | 57,203 | 86,808 | 9,545 |
| Cerrillos Road Reconstruction | 6,500,000 | 1,520,708 | 5,626,523 | 4,684,069 | 578,252 |
| Small Drainage | 264,814 | - | 73,200 | 207,567 | 134,367 |
| improvements Bishops Lodge Rd. | 150,000 | - | 142,834 | 142,834 | - |
| Camino Real River | 151,352 | - | 87,511 | 87,511 | - |
| Airport Improvements | 19,200 | 240 | 240 | - | - |
| Airport Improvements | 101,800 | 13,787 | - | - | 13,787 |
| Airport Improvements | 3,947 | 834 | 1,000 | 1,113 | 278 |
| Airport Improvements | 450,000 | 3,428 | 7,590 | 4,662 | 498 |
| Airport Improvements | 313,500 | - | 245,317 | 251,865 | 6,538 |
| Airport Improvements | 181,800 | - | 137,977 | 163,981 | 26,004 |
| Airport Improvements | 71,084 | 54 | 65,616 | 65,716 | 154 |
| Airport Improvements | 15,000 | - | - | 12,077 | 12,077 |
| TOTAL Highway and Transportation Department | \$ 8,608,445 | \$ 1,694,957 | \$ 8,555,261 | \$ 5,769,317 | \$ 809,013 |
| N.M. DEPARTMENT OF TOURISM | | | | | |
| Creative Tourism | 2,137 | - | - | - | - |
| Beautification and Litter Control Program | 33,300 | 14,961 | 31,255 | 27,389 | 11,095 |
| TOTAL N.M. Department of Tourism | \$ 35,437 | \$ 14,961 | \$ 31,255 | \$ 27,389 | \$ 11,095 |

(continued)

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

| Grantor Program Name Grant Number | State Program or Award Amount | Cash/Accrued or (Deferred) Revenue at July 1, 2011 | Cash or Receipts Recognized | Disbursements/ Expenditures | Cash/Accrued or (Deferred) Revenue at June 30, 2012 |
|--|-------------------------------------|---|-----------------------------------|--------------------------------|--|
| N.M. DEPARTMENT OF CULTURAL AFFAIRS | | | | | |
| Historical Preservation | \$ 4,000 | \$ - | \$ - | \$ 4,000 | \$ 4,000 |
| TOTAL Department of Cultural Affairs | \$ 4,000 | \$ - | \$ - | \$ 4,000 | \$ 4,000 |
| N.M. ENERGY, MINERALS, NATURAL RESOURCES | | | | | |
| Fire Hazard Reduction Grants | \$ 150,000 | \$ 76,565 | \$ 137,820 | \$ 132,022 | \$ 70,767 |
| Santa Fe River Trail | 815,000 | - | 66,245 | 66,245 | - |
| TOTAL Energy, Minerals, Natural Resources | \$ 965,000 | \$ 76,565 | \$ 204,065 | \$ 198,267 | \$ 70,767 |
| STATE AGENCY ON AGING | | | | | |
| Senior Companion Program | \$ 123,534 | \$ 9,509 | \$ 126,293 | \$ 123,534 | \$ 6,750 |
| Senior Employment Program | 34,724 | 4,242 | 34,388 | 34,724 | 4,578 |
| Foster Grandparent Program | 117,576 | 4,818 | 103,684 | 117,576 | 18,710 |
| Retired Senior Volunteer Program | 34,845 | 3,820 | 38,465 | 34,845 | - |
| HB-2- Nutrition | 175,174 | 42,764 | 210,955 | 175,174 | 6,883 |
| HB-2- In Home Support | 128,484 | 11,321 | 136,094 | 128,484 | 3,711 |
| HB-2- Assisted Transportation | 37,148 | - | 34,238 | 37,148 | 2,910 |
| State Area On Aging Capital Improvements | 267,500 | - | - | 29,490 | 29,490 |
| Mary Ester Gonzales Senior Center | 128,467 | - | - | 40,917 | 40,917 |
| Mary Ester Gonzales Senior Center | 273,000 | - | 27,884 | 40,803 | 12,719 |
| TOTAL State Agency on Aging | \$ 1,320,452 | \$ 76,274 | \$ 712,001 | \$ 782,495 | \$ 126,768 |
| COUNTY OF SANTA FE | | | | | |
| | 5,960 | \$ - | \$ - | \$ 5,960 | \$ 5,960 |
| Senior Program-County Grant | 165,492 | 165,492 | 165,492 | - | - |
| Southside Library | 30,000 | - | 30,000 | 30,000 | - |
| Santa Fe Paratransit | 98,011 | 98,011 | - | - | 98,011 |
| Arroyo Chimiso Trail | 205,000 | 75,868 | 198,679 | 122,811 | - |
| Trails and Bike Paths | 115,678 | 102,282 | 102,282 | - | - |
| Acequia Trails | 94,322 | 94,322 | 94,322 | - | - |
| Santa Fe River and Rail Trail | 4,899 | - | 4,899 | 4,899 | - |
| Santa Fe Rail Yard-Park and Plaza | 220,000 | 220,000 | 220,000 | - | - |
| Santa Fe Rail Yard-Park and Plaza | 200,000 | 200,000 | 200,000 | - | - |
| TOTAL County of Santa Fe | \$ 1,131,402 | \$ 953,875 | \$ 1,015,674 | \$ 157,710 | \$ 98,011 |
| SANTA FE PUBLIC SCHOOLS | | | | | |
| Crossing Guards Grant | \$ 179,576 | \$ - | \$ 179,576 | \$ 179,576 | \$ - |
| TOTAL Santa Fe Public Schools | \$ 179,576 | \$ - | \$ 179,576 | \$ 179,576 | \$ - |

(continued)

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

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

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Single Audit Section

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

| Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Grantor's Number | Federal Program or Award Amount | Cash/Accrued or (Deferred) Revenue at July 1, 2011 | CY Cash Receipts Recognized | Revenue Disbursements/ Expenditures | Cash/Accrued or (Deferred) Revenue at June 30, 2012 |
|---|---------------------------|-------------------------------------|---------------------------------------|---|--------------------------------------|---|--|
| Primary Government | | | | | | | |
| DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | | | | | |
| Department of Housing and Urban Development Direct Programs: | | | | | | | |
| CDBG-Entitlement and (HUD-Administered) Small Cities Cluster | | | | | | | |
| Community Develop Block Grant | 14 218 | B09MC350003 | \$ 582,208 | \$ 30,908 | \$ 30,908 | \$ 0 | \$ - |
| Community Develop Block Grant | 14 218 | B10MC350003 | 625,163 | 328,443 | 925,163 | 295,720 | - |
| Community Develop Block Grant | 14 218 | B11MC350003 | 524,976 | - | 152,972 | 237,616 | 84,544 |
| Neighborhood Stabilization Program | 14 218 | 08-0290 | 30,097 | 72,680 | 96,793 | 27,923 | 3,810 |
| Total CDBG-Entitlement and (HUD-Administered) Small Cities Cluster | | | 1,762,444 | 432,031 | 405,536 | 562,259 | 88,454 |
| Shelter Plus Care Grants | | | | | | | |
| Shelter Plus | 14 238 | NM0055C6B011003 | 189,684 | - | 118,833 | 141,536 | 24,703 |
| Shelter Plus | 14 238 | NM0034C6B011003 | 235,164 | - | 200,766 | 234,286 | 33,520 |
| Shelter Plus | 14 238 | NM0029C6B011003 | 134,484 | - | 122,653 | 133,800 | 11,147 |
| Shelter Plus | 14 238 | NM0026C6B011003 | 234,760 | - | 192,265 | 221,351 | 29,068 |
| Shelter Plus | 14 238 | NM0025C6B011003 | 110,835 | 9,050 | 33,201 | 24,241 | - |
| Shelter Plus | 14 238 | NM0024C6B011003 | 133,500 | 11,605 | 11,605 | - | - |
| Shelter Plus | 14 238 | NM0034C6B010602 | 233,412 | 22,154 | 22,154 | - | - |
| Shelter Plus | 14 238 | NM0026C6B010602 | 223,080 | 25,661 | 25,661 | - | - |
| Shelter Plus | 14 238 | NM0027C6B010001 | 306,660 | 4,076 | 62,412 | 65,889 | 7,553 |
| Shelter Plus | 14 238 | NM0046C6B010000 | 924,360 | 2,115 | 47,435 | 48,451 | 4,131 |
| Shelter Plus | 14 238 | NM0048C6B010000 | 60,780 | 687 | 10,507 | 12,851 | 1,011 |
| Total Shelter Plus Care Grants | | | 2,176,719 | 75,348 | 845,592 | 881,385 | 111,151 |
| Department of Housing and Urban Development | | | \$ 3,939,163 | \$ 507,379 | \$ 1,751,418 | \$ 1,443,644 | \$ 199,605 |
| DEPARTMENT OF INTERIOR | | | | | | | |
| National Park Service | | | | | | | |
| Passed through NM State Historic Preservation : | | | | | | | |
| Historic Preservation | 15 904 | 35-06-21534.08 | \$ 1,872 | \$ 1,672 | \$ 1,672 | \$ - | \$ - |
| Prince Park | | R7700107019 | 18,876 | - | - | 18,876 | 18,876 |
| Department of Interior | | | \$ 18,848 | \$ 1,672 | \$ 1,672 | \$ 18,876 | \$ 18,876 |
| US DEPARTMENT OF JUSTICE | | | | | | | |
| Passed-through NM Children Youth and Families: | | | | | | | |
| Juvenile Justice - Continuum 10/11 | 16 523 | 11-690-12430 | 25,000 | 24,443 | 24,443 | - | - |
| Juvenile Justice - Continuum 10/11 | 16 523 | 11-690-12431 | 233,031 | 96,903 | 323,125 | 255,303 | 32,081 |
| Total passed-through NM Children Youth and Families: | | | 258,031 | 121,346 | 347,568 | 255,303 | 32,081 |
| Passed-through NM Crime Victims Reparation Commission | | | | | | | |
| Recovery of STOP Violence Against Women Grant | 16 806 | 2008-WF-AX-0010 | 31,322 | 197 | 197 | - | - |
| Total passed-through NM Crime Victims Reparation Commission | | | 31,322 | 197 | 197 | - | - |
| Domestic Violence and Sexual Assault Probation Officers | 18 580 | 2009-WE-AX-0046 | 600,000 | 62,224 | 62,224 | 121,440 | 121,440 |
| | | | 600,000 | 62,224 | 62,224 | 121,440 | 121,440 |
| US Department of Justice | | | \$ 1,121,648 | \$ 185,767 | \$ 409,989 | \$ 277,743 | \$ 153,521 |
| DEPARTMENT OF TRANSPORTATION | | | | | | | |
| Federal Aviation Administration Direct Program: | | | | | | | |
| Airport Improvement Grant #34 | 20 106 | AIP 3-05-0037-034-2010 | 480,000 | 132,256 | 243,975 | 175,056 | 63,369 |
| Airport Improvement Grant #35 | 20 106 | AIP 3-05-0037-035-2010 | 106,400 | 91,709 | 83,419 | 42,280 | 10,570 |
| Airport Improvement Grant #36 | 20 106 | AIP 3-05-0037-036-2010 | 2,701,167 | - | 2,497,684 | 2,492,263 | 1,579 |
| Total Federal Aviation Administration Direct Program: | | | 3,287,567 | 223,965 | 2,805,078 | 2,710,639 | 75,518 |
| Department of Transportation Direct Program: | | | | | | | |
| Section 5316 (JARC) | 20 516 | NM80X100 | 362,026 | 169,462 | 298,270 | 193,161 | 80,373 |
| Section 5316 (JARC) | 20 516 | NM37X022 | 8,949 | 8,949 | 6,949 | - | - |
| Section 5316 (JARC) | 20 516 | NM80X093 | 65,000 | 65,000 | 65,000 | - | - |
| Section 5316 (JARC) | 20 516 | NM50X086 | 142,582 | 38,046 | 38,046 | - | - |
| Total Department of Transportation Direct Program: | | | 579,167 | 269,457 | 408,265 | 199,161 | 60,373 |
| Passed-through NM Highway and Transportation Department: | | | | | | | |
| Highway and Planning Cluster: | | | | | | | |
| Section 112 | 20 105 | | - | 61,921 | 218,614 | 240,529 | 83,836 |
| Total Highway and Planning Cluster: | | | - | 61,921 | 218,614 | 240,529 | 83,836 |
| Section 5303 09/10 | 20 105 | MOA # M00461 | 34,889 | 12,202 | 21,476 | 10,435 | 1,161 |
| | | | 34,889 | 12,202 | 21,476 | 10,435 | 1,161 |
| Federal Transit Cluster: | | | | | | | |
| Ridefinders 10/11 | 20 507 | TPC-7749(P) | 67,653 | 24,978 | 66,059 | 85,579 | 22,458 |
| Section 5309 | 20 500 | NM58X004 | 700,000 | 639,915 | 640,170 | 255 | - |
| Section 5309 | 20 500 | NM04X006 | 264,000 | - | 2,126 | 2,126 | - |
| 2 2 | 20 507 | NM00X075 | 1,115,859 | 151,406 | 151,406 | - | - |
| Section 5307 - Operating | 20 507 | NM030045 | 4,016 | - | - | 4,016 | 4,016 |
| Section 5307 - Operating | 20 507 | NM00X101 | 1,335,413 | 1,322,060 | 1,325,485 | 13,354 | 9,928 |
| Section 5307 - Operating | 20 507 | NM03-0056 | 111,840 | - | 58,030 | 89,038 | - |
| Section 5307 - Operating | 20 507 | NM80X106 | 1,300,335 | - | - | 1,300,336 | 1,300,336 |
| Total Federal Transit Cluster: | | | 4,820,116 | 2,128,359 | 2,245,325 | 1,443,704 | 1,336,736 |
| Total Department of Transportation passed-through: | | | \$ 3,964,005 | \$ 2,212,482 | \$ 2,485,415 | \$ 1,694,568 | \$ 1,421,735 |
| Department of Transportation | | | \$ 8,800,769 | \$ 2,845,904 | \$ 5,698,768 | \$ 4,610,480 | \$ 1,657,626 |

(continued)

(continued)

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

| Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title | Federal CFDA Number | Pass-Through Grantor's Number | Federal Program or Award Amount | Cash/Accrued or (Deferred) Revenue at July 1, 2011 | CY Cash Receipts Recognized | Revenue Disbursements/ Expenditures | Cash/Accrued or (Deferred) Revenue at June 30, 2012 |
|---|---------------------------|-------------------------------------|---------------------------------------|---|--------------------------------------|---|--|
| US DEPARTMENT OF ARMY CORPS OF ENGINEERS | | | | | | | |
| US Department of Army Corps of Engineers | 81 108 | DE-FG52-09NA29532 | 984,000 | 482,520 | 571,305 | 88,785 | - |
| US Department of Army Corps of Engineers | | | \$ 984,000 | \$ 482,520 | \$ 571,305 | \$ 88,785 | \$ - |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | | |
| Passed-through NM State Agency on Aging/NCNMEDD: | | | | | | | |
| Aging Cluster: | | | | | | | |
| Title III-B | 93 044 | 2009-10-60026 | 108,869 | 4,496 | 106,424 | 137,491 | 38,563 |
| Title III-C-1 | 93 045 | 2009-10-60026 | 72,498 | 14,377 | 88,875 | 72,498 | - |
| Title III-C-2 | 93 045 | 2009-10-60026 | 31,199 | 10,592 | 38,382 | 31,199 | 2,429 |
| NSIP | 93 053 | 2009-10-60026 | 141,955 | 3,206 | 145,161 | 141,955 | - |
| Title III-E | 93 052 | 2009-10-60026 | 71,340 | 14,183 | 89,252 | 76,340 | 1,271 |
| Total Aging Cluster: | | | 425,861 | 46,854 | 465,074 | 459,483 | 40,263 |
| Passed-through Mid Region Council of Governments: | | | | | | | |
| Temporary Assistance to Needy Families | 93 668 | TANF 2009-10 | 50,000 | - | - | - | 52,357 |
| Total Mid Region Council of Governments | | | 50,000 | - | - | - | 52,357 |
| Department of Health and Human Services | | | \$ 475,861 | \$ 46,854 | \$ 465,074 | \$ 459,483 | \$ 40,263 |
| CORPORATION FOR NATIONAL AND COMMUNITY SERVICE | | | | | | | |
| Passed-through NM State Agency on Aging/NCNMEDD: | | | | | | | |
| Foster Grandparent Program | 94 011 | 10-624-4000-0024 | 25,868 | 10,147 | 25,455 | 25,868 | 10,580 |
| Retired Senior Volunteer Program | 94 012 | 10-624-4000-0065 | 21,884 | 23,343 | 45,027 | 21,884 | - |
| Total Passed-through NM State Agency on Aging: | | | \$ 47,552 | \$ 33,490 | \$ 70,482 | \$ 47,552 | \$ 10,580 |
| Corporation for National and Community Service | | | \$ 47,552 | \$ 33,490 | \$ 70,482 | \$ 47,552 | \$ 10,580 |
| US DEPARTMENT OF HOMELAND SECURITY | | | | | | | |
| Emergency Management Performance | 97 042 | 2010-EP-EO-0022 | 32,425 | 8,649 | 16,465 | 8,806 | - |
| Emergency Management Performance | 97 042 | EMW-2011-EP-00051 | 83,136 | - | - | - | - |
| Emergency Management Performance | 97 067 | 2009-S5-T9-000030 | 321,350 | 8,908 | 8,804 | 2,898 | - |
| Emergency Management Performance | 97 067 | 2010-S5-T0-0011 | 219,500 | 31,463 | 141,058 | 114,468 | 4,870 |
| Emergency Management Performance | 97 067 | EMW-2011-S5-00064-S0 | 151,124 | - | - | 55,502 | 55,502 |
| US Department of Homeland Security | | | \$ 787,534 | \$ 49,020 | \$ 165,127 | \$ 179,472 | \$ 60,370 |
| AMERICAN RECOVERY AND REINVESTMENT ACT GRANTS (ARRA) | | | | | | | |
| ARRA - Energy Efficiency Buildings - Administered by State of NM | 81 128 | DE-SC00002036 | 248,782 | - | 242,582 | 242,582 | - |
| ARRA - Energy Efficiency & Conservation Block Grant Program | 81 128 | DE-EE0000681 | 3,705 | 590 | 4,205 | 3,705 | - |
| ARRA - Pavement Resurfacing | 20 208 | ECO-4726(2) | 2,222,072 | 50,040 | 50,040 | 59,966 | 69,686 |
| ARRA - Section 5309 | 81 041 | DE-ES0000108 | 158,234 | - | 158,234 | 158,234 | - |
| ARRA - Section 5309 | 81 041 | NM-96-X003 | 797,882 | - | - | 101,730 | 101,730 |
| ARRA - Corps Hiring Recovery Program | 10 710 | 2009-KRWX0647 | 1,479,328 | 62,152 | 303,548 | 474,301 | 262,945 |
| American Recovery and Reinvestment Act Grants (ARRA) | | | \$ 4,909,953 | \$ 142,822 | \$ 758,899 | \$ 1,040,118 | \$ 424,241 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 21,065,019 | \$ 4,092,426 | \$ 9,883,514 | \$ 8,264,153 | \$ 2,463,065 |

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

General

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

| | |
|--|---------------------|
| City of Santa Fe Federal Expenditures as reported on page 212: | \$ 8,264,153 |
| Total Federal Expenditures of the Primary Government | <u>\$ 8,264,153</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> |
|--|----------------------|----------------------|
| U.S. Department of Housing and Urban Development | | |
| Special Revenue Funds | | |
| Community Development Grants | | |
| Community Development Block Grants | 14.218 | \$ 562,259 |
| Shelter Plus | 14.238 | 141,536 |
| Shelter Plus | 14.238 | 234,286 |
| Shelter Plus | 14.238 | 133,800 |
| Shelter Plus | 14.238 | 221,351 |
| Shelter Plus | 14.238 | 24,241 |
| Shelter Plus | 14.238 | 65,889 |
| Shelter Plus | 14.238 | 49,451 |
| Shelter Plus | 14.238 | 10,831 |
| U.S. Department of Interior | | |
| Special Revenue Funds | | |
| National Park Grants | | |
| Prince Park | 15.904 | 16,876 |
| U.S. Department of Justice | | |
| Special Revenue Grants | | |
| Law Enforcement Grants | | |
| Juvenile Justice - Continuum | 16.523 | 256,303 |
| Domestic Violence and Sexual Assault Probation | 16.580 | 121,440 |
| U.S. Department of Transportation | | |
| Enterprise Fund - Airport | | |
| Airport Improvement Grants | | |
| Airport Improvement | 20.106 | 2,716,631 |
| Enterprise Fund - Transit Bus System | | |
| Welfare to Work (JARC) | 20.516 | 199,181 |

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

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

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the City of Santa Fe, as of and for the year ended June 30, 2012, and have issued our report thereon dated February 19, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City of Santa Fe's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies and can be referenced as findings 06-05, 11-01, 12-03, and 12-04.

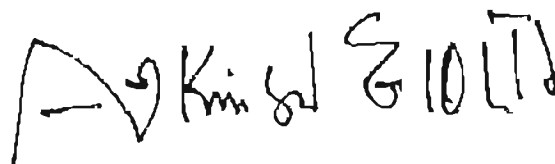
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Santa Fe's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as finding 11-04.

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

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

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

A handwritten signature in black ink, appearing to read "Atkinson & Co., Ltd.", is written over a faint, stylized graphic that resembles a large, abstract letter 'A' or a signature flourish.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
February 19, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the City of Santa Fe's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Santa Fe's major federal programs for the year ended June 30, 2012. The City of Santa Fe's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Santa Fe's management. Our responsibility is to express an opinion on the City of Santa Fe's compliance based on our audit.

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

In our opinion, the City of Santa Fe complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 11-04, 11-06, 12-03, and 12-04.

Internal Control over Compliance

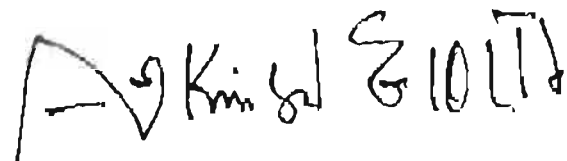
Management of the City of Santa Fe is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Santa Fe's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Santa Fe's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 06-05, 11-01, 11-06, 12-03, and 12-04. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report is intended solely for the information and use of management, the City Council, others within the City of Santa Fe, the State Auditor, the New Mexico Legislature, and applicable federal grantors and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Atkinson & Co., Ltd.", is written over a faint, stylized graphic element.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
February 19, 2013

City of Santa Fe

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2012

I. Summary of Audit Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? Yes

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? Yes

Identification of major programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|---|
| 14.218 | CDBG – Entitlement and Grants Cluster |
| 14.238 | Shelter Plus Care |
| 16.710 | Public Safety Partnership and Community Policing Grants |
| 20.507 | Federal Transit Cluster – Formula Grants |
| 81.041 | Section 5309 |
| 81.128 | Energy Efficiency and Conservation Block Grant |
| 93.various | Aging Cluster (93.044, 93.045, 93.053) |

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

I. Summary of Audit Results – Continued

Auditee qualified as low-risk auditee? No

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

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

III. Status of Prior Audit Findings

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

IV. Current Audit Findings

Financial Statement Findings Required by *Government Auditing Standards*

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

Findings in Accordance with 2.2.2. NMAC

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

IV. Current Audit Findings - Continued

Findings in Accordance with OMB Circular A-133

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED

FINANCIAL STATEMENT FINDING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

Condition:

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

Criteria:

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

Effect:

The City is not in compliance with State Auditor Rule NMAC 2.2.2.9A for the fiscal year ended June 30, 2012. The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, oversight agencies, etc., do not have timely audit reports and financial statements for their review. Late audit reports could have an effect on state and federal funding and the City's internal budgeting.

Cause:

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

Recommendation:

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

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

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

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

Views of Responsible Officials and Planned Corrective Action:

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

Point of Contact:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

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

11-01 IMPROPER CUTOFF (SIGNIFICANT DEFICIENCY)

Condition:

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

Criteria:

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

Cause:

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

Effect:

Beginning capital assets were understated.

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

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

Point of Contact:

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

City of Santa Fe

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC

06-06 BUDGETARY COMPLIANCE (NON-COMPLIANCE)

Condition:

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

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

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

Criteria:

New Mexico State Statue 6-6-6 NMSA 1978 requires that local government spending does not exceed budgeted amounts, unless approved budget adjustments are made. State law mandates that municipalities develop and operate within the confines of a balanced budget. Proprietary fund budgets prepared in accordance with GAAP should consist of all items of expense, including depreciation.

Effect:

The possibility existed for the City to incur a significant budget overage that would have had financial impact. The City is not in compliance with state statutes.

Cause:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC - CONTINUED

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

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

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

Point of Contact:

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

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Funding Agency: U.S. Department of Justice

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

CFDA Number: 16.710

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

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

Title: Aging Cluster

CFDA Number: 93.044, 93.045, 93.053

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

Condition:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133 - CONTINUED

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

Criteria:

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

Effect:

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

Cause:

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

Questioned Costs: None

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

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

Point of Contact:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133 - CONTINUED

11-06 FEDERAL GRANT PROCUREMENT (SIGNIFICANT DEFICIENCY)

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

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

Condition:

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

Criteria:

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

Effect:

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

Cause:

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

Questioned Costs: None

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

PRIOR YEAR FINDINGS-REPEATED AND MODIFIED - CONTINUED

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133 - CONTINUED

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

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

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

Point of Contact:

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

CURRENT YEAR FINDINGS

FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC

12-01 PROFESSIONAL SERVICES PROCUREMENT (NON-COMPLIANCE)

Condition:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

CURRENT YEAR FINDINGS - CONTINUED

FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC - CONTINUED

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

Criteria:

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

Cause:

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

Effect:

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

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

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

Point of contact:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

CURRENT YEAR FINDINGS - CONTINUED

FINDINGS IN ACCORDANCE WITH 2.2.2. NMAC - CONTINUED

12-02 PURCHASE ORDER AUTHORIZATIONS (NON-COMPLIANCE)

Condition:

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

Criteria:

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

Cause:

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

Effect:

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

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

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

Point of Contact:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

CURRENT YEAR FINDINGS - CONTINUED

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133

12-03 FEDERAL GRANT CASH MANAGEMENT (SIGNIFICANT DEFICIENCY)

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

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

Condition:

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

Criteria:

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

Effect:

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

Cause:

Management has not established appropriate internal controls over cash management.

Questioned Costs: None

Recommendation:

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

CURRENT YEAR FINDINGS - CONTINUED

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133 - CONTINUED

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

Views of Responsible Officials and Planned Corrective Action:

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

Point of Contact:

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

12-04 DATA COLLECTION FORM SUBMISSION (SIGNIFICANT DEFICIENCY)

Funding Agency: All Funding Agencies

Title: All Federal Award Programs

CFDA Number: All CFDA Numbers

Condition:

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

Criteria:

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

Effect:

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

Cause:

Unknown

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

For the year ended June 30, 2012

CURRENT YEAR FINDINGS - CONTINUED

FINDINGS IN ACCORDANCE WITH OMB CIRCULAR A-133 - CONTINUED

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

Questioned Costs: None

Recommendation:

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

Views of Responsible Officials and Planned Corrective Action:

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

Point of Contact:

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

City of Santa Fe

EXIT CONFERENCE

For the year ended June 30, 2012

* * * * *

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

City of Santa Fe

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

Independent Auditor

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

