

**STATE OF NEW MEXICO**

**SANTA FE COUNTY**

**Financial Statements and  
Other Financial Information**

**(With Independent Auditors' Reports Thereon)**

**Year Ended June 30, 2005**



*Barraclough & Associates, P.C.*  
Certified Public Accountants & Consultants

*J*  
*1-17-06*  
*5026*



**State of New Mexico**  
**OFFICE OF THE STATE AUDITOR**

**Domingo P. Martinez, CGFM**  
**State Auditor**

**Carl M. Baldwin, CPA, CFE**  
**Deputy State Auditor**

January 17, 2006

SAQ Ref. No. 5026

Gerald T.E. Gonzalez, County Manager  
and  
Members of the County Commission  
Santa Fe County  
PO Box 276  
Santa Fe, NM 87504-0276

**SUBJECT:** Audit Report—Santa Fe County—2004-2005 Fiscal Year—Prepared by Barraclough & Associates, PC

Your agency audit report was received by the Office of the State Auditor (Office) on November 15, 2005. The State Auditor examination of the audit report required by Section 12-6-14 (D), NMSA 1978, has been completed. This letter is the authorization to make the final payment to the independent public accountant (IPA) who contracted to perform the agency's financial and compliance audit. In accordance with the Section 2 (B) of the audit contract, the IPA will deliver the specified number of copies of the audit to the agency.

As per your written request, this office is waiving the ten (10) day waiting period and is making the report public record immediately. The audit report will be:

- released by the Office of the State Auditor to the Legislative Finance Committee, and the Department of Finance and Administration; and
- presented by the agency to a quorum of the agency's governing authority at a public meeting, for approval, per Section 2.2.2.10.J.(3)(d) of 2.2.2 NMAC *Requirements for Contracting and Conducting Audits of Agencies*.

The independent public accountant's findings and comments are included in the audit report on pages 124 - 134. **It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments.**

  
DOMINGO P. MARTINEZ, CGFM  
STATE AUDITOR

cc: Legislative Finance Committee  
Department of Finance and Administration-  
Local Government Division  
Barraclough & Associates, PC

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STATE OF NEW MEXICO  
SANTA FE COUNTY

Official Roster  
June 30, 2005

COUNTY COMMISSIONERS

Mike Anaya  
Paul Campos  
Harry B. Montoya  
Jack Sullivan  
Virginia Vigil

Chairperson  
Member  
Member  
Member  
Member

COUNTY OFFICIALS

Greg Solano  
Victor Montoya  
Valerie Espinoza  
Benito Martinez, Jr.  
Ann Yalman

County Sheriff  
County Treasurer  
County Clerk  
County Assessor  
Probate Judge

ADMINISTRATIVE OFFICIAL

Gerald T.E. González

County Manager

Final  
Rpt  
OK to release.  
SA <sup>Sa</sup> 1-17-06

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NOV 15 2005

STATE AUDITOR

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JAN 17 2006

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STATE OF NEW MEXICO  
SANTA FE COUNTY

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"20 Years of Excellence"



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**Principals**

John E. Barracough, Jr., C.P.A.  
Annette V. Hayden, C.P.A.  
Sandra M. Shell, C.P.A., C.V.A.

**Managers**

Douglas W. Fraser, C.P.A.  
Maryann Maberry, C.P.A.  
Rick W. Reynolds, C.P.A.  
Ben R. Smiley, C.P.A.  
Rhonda G. Williams, C.P.A.  
\* \* \*  
Patricia A. Baca, C.P.A. Ret.  
Donald Daymon, C.P.A. Ret.

**INDEPENDENT AUDITORS' REPORT**

Mr. Domingo P. Martinez, CGFM State Auditor  
and  
County Commissioners of the  
State of New Mexico, Santa Fe County:

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Fe County, New Mexico (County), as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's non major governmental and fiduciary funds and budgetary comparisons for the proprietary funds presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2005, as listed in the table of contents. These financial statements are the responsibility of the County'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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2005, and the respective changes in financial position, cash flows where applicable and the budgetary comparison for each major governmental fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each non major governmental fund, the fiduciary funds of the County, as of June 30, 2005, and the respective changes in financial position and the respective budgetary comparisons for the non major governmental funds and for the proprietary funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

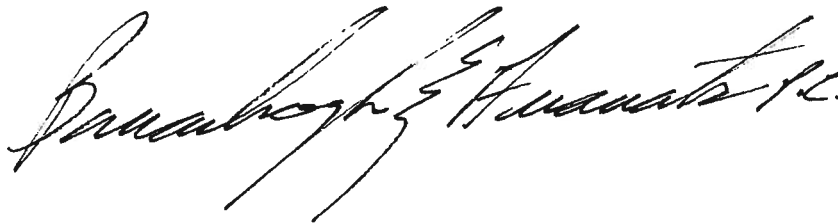
In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2005 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope 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.

*K-17-06*

The accompanying Management's Discussion and Analysis pages 3-12 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements as listed in the table of contents and each of the County's non major governmental and fiduciary funds and budgetary comparisons for the proprietary funds in the accompanying combining and individual fund financial statements as listed in the table of contents. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as is required by the US Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Not-For-Profit Organizations*, and are not a required part of the basic financial statements. The accompanying financial data schedule is presented for purposes of additional analysis required by the Housing and Urban Development and is not a required part of the basic financial statements. Also, the schedules listed as other supplementary information in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

October 21, 2005





**SANTA FE COUNTY  
Management's Discussion and Analysis – Unaudited  
June 30, 2005**

As management of Santa Fe County (County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2005.

**PROFILE OF THE COUNTY**

Santa Fe County was established by the laws of the Territory of New Mexico of 1852, under provisions of the act now referred to as Section 4-26-1 of the New Mexico Statutes Annotated, 1978 Compilation. The County operates under the commission-manager form of government and provides the following services as authorized in the grant of powers: public safety (police, fire and corrections), highways and streets, sanitation, health and social services, low rent housing assistance, affordable housing, culture-recreation, public projects' improvements, planning and zoning, and general administration services. A regional planning authority created by the City and County of Santa Fe, as well as County housing services, utility, home sales and jail enterprises are included within the business activity of the County's financial statements. All legislative power within the County is vested in a five-member Board of Commissioners, each of whom are elected for four-year terms. The executive function is divided and shared by the Board and six elected county officials - the Assessor, Clerk, Probate Judge, Sheriff, Surveyor and Treasurer.

The County maintains budgetary controls to ensure compliance with legal provisions required in the annual appropriated budget approved by the Board. The County's legal level of budgetary control is at the fund level. Initial appropriations must be approved by the Board of County Commissioners, within a fund may be adjusted with the approval of the Board and the New Mexico State Department of Finance and Administration (DFA). The Local Government Division of DFA is responsible for regulating the budgetary affairs of the County. Budget adjustments that do not require DFA approval are limited to transfers within organizational unit (between expenditure categories) or transfers between organizational units (same department and same fund).

**Summary of County Program Highlights and Challenges**

During the current fiscal year, the County accomplished the following goals and achievements.

- The Housing Authority successfully sold eight (8) affordable housing units, both renovated and new construction, located in the Valle Vista subdivision. The majority of affordable housing units sold were three (3) bedroom homes ranging in appraised market value from \$80,000 to \$100,000.
- During FY 2005 the Health and Human Services Department, began the first phase of implementation of the CARE Connection Program. The CARE Connection Program is a

- two-part program, which includes the development of an Assessment Center and the construction of the Sobering Center. The program strives for a better coordination of behavioral health services in Santa Fe County through a consortium of behavioral health providers, consumers, families, elected officials, Tribal officials, law enforcement, courts and other who have joined the CARE Connection to address gaps in services. Services include development and implementation of a central intake and assessment center to receive and assess clients, a centralized database system to monitor the clients' needs, and a sobering center to detoxify the clients. The primary goal of the program is to divert individuals from the local hospital's emergency room and the County jail into a service-oriented program specializing in the holistic treatment for individuals suffering from chronic alcohol and substance abuse. The Assessment Center opened in February, and between February and June, the center handled 231 clients and processed 100 Access to Recovery treatment vouchers totaling \$237,750.
- During the summer of 2004, the City and County reached a culminating point in their history as joint powers when they finalized the principles of agreement for the Buckman Direct Diversion (BDD) water project. The BDD, estimated at \$120 million, will be the largest, single capital project for which the two local governments have united forces in an effort to address meeting the current and future needs of an adequate water supply within the area. The Buckman Surface Diversion will provide full access to the San Juan/Chama water rights and/or other native Rio Grande water rights currently held by the City and County. The proposed system will route Rio Grande surface water directly from the river through a conveyance system to a new water treatment facility where water will be conveyed to the various users.
- During FY 2005 the County attained voter approval for \$72.5 million in general obligation bonds payable from taxes to acquire, construct, design, equip and improve roads, water projects and fire safety projects. Priority projects for funding consideration may include the Buckman Direct Diversion Project, sub fire station improvements and upgrades to county roads. A total of \$20 million dollars is dedicated for road improvements, \$51 million dollars for water projects and \$1.5 million dollars for fire safety.
- During FY 2004, thefts experienced at the Treasurer's Office, perpetrated by a courier service employee, were settled during FY 2005. The county was able to fully recover all losses and has implemented internal controls and procedures to reduce the reoccurrence of thefts in the future. The thieves plead guilty to criminal charges stemming from the thefts, and the County reduced its loss originally from \$254,930 to zero.
- On June 1, 2005, the County opened the Adolescent Residential Center (ARC) located at Airport Road adjacent to the Youth Development Facility. The ARC is a non-secure 20-bed facility whose mission is to provide a bridge for adolescents who have either served their sentences and are now ready for community reentry or whose offense does not require detention but rather assisted reentry into the community. The primary goal is to prepare the clients through provision of group therapy focusing on life skills. Life skills address issues such as cooking, hygiene, money management and job interviewing. External services include Alcoholics Anonymous, Narcotics Anonymous, and specialized services such as sex offender counseling. During the day, many of the clients attend school or work. The clients that remain on site during the day participate in scheduled work groups. The ARC has served thirteen (13) clients thus far, with two successfully discharged, one parole violation and two AWOL clients.
- The county has now operated the Youth Development Facility for incarcerated youth during the past eighteen months. The average monthly population ranges from 60-70 clients, with the majority of the population comprised of youth sentenced through the United States Bureau

- of Prisons. The facility accommodates a secured wing for youth sentenced for short detention as well as those sentenced for longer term. A featured part of the secure program focuses on intensive psychological therapy for sex offenders. During the course of the day, the clients will attend school, therapy sessions and GED courses. The Facility also has a Culinary Arts program that is available to all clients that have graduated from high school and attendance by clients' results in actual college credits. The secured portion of the facility has three (3) therapists and a clinical director. The Day Reporting, non-secured area has one (1) therapist and several case managers. The county has recently purchased programming modules to teach specific skills, such as janitorial skills etc.

In future years, the County is faced with the following challenges.

- The increasing appeal of Santa Fe to outside investors and individuals wanting to relocate to the area provides additional opportunities as well as challenges for the County. Land development continues to increase as well as property values. The Community College District is growing rapidly and the County has approved preliminary plans for two housing developments calling for 80 – 250 homes per development. While property values rise so does the pressure to provide affordable housing. The County is considering the adoption of an affordable housing ordinance requiring 30% of new housing development to be set-aside for affordable housing units.
- The need for providing an adequate water supply within our drought-stricken area will continue to be placed at the forefront of future challenges. The challenge to be met is to balance the availability of an adequate water supply with the demand for increased land development. The County is continuing to acquire water right acquisitions while conducting ongoing plans with the City for financing and constructing the Buckman Direct Diversion project.
- The County is considering assuming full operation of the Adult Detention Facility since the current subcontractor has given notice of termination in March. Full operation will include the security, medical and administrative components of running the facility. Since the County was able to implement the ¼ % gross receipts tax for correctional facilities newly enacted by the NM Legislature during the 2004 session, the possibility of assuming the complete jail operation is more financially feasible than in years past. The challenge of maintaining a fiscal balance requiring no additional funding from the general fund while marketing available beds for other jurisdictions will continue to be a major focus for operation of the adult detention facility.
- While the population of Santa Fe County has increased by 30% during the past ten years, the housing of administrative and judicial support services for the County has remained the same. The Board of County Commissioners has expressed an interest in maintaining a location in the downtown area, which has increasingly less space available for expansion and new construction. The judicial court complex has been overcrowded and in dire need of renovation to accommodate security issues. The County is contemplating the implementation of a 1/16<sup>th</sup> gross receipts tax increment, newly enacted by the NM Legislature during the 2004 session, in an effort to partially fund the construction and renovation of a judicial complex and administrative facility through a future revenue bond issue.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's 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.

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

**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. All of the funds of the County can be divided into three categories: governmental, proprietary and fiduciary funds.

**Governmental funds.** All governmental fund types are accounted for on a spending flow measurement focus.

**Proprietary funds.** The County maintains four 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 County uses enterprise funds to account for Water, Housing Authority, Regional Planning Authority, Jail and Home Sales.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs.

**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 the fund financial statements.

## The County as a Whole

As of June 30, 2005 and 2004, net assets are as follows:

	2005			2004		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>						
Current and Other Assets	\$ 90,686,591	\$ 16,227,813	\$106,914,404	\$ 79,847,973	\$ 13,347,786	\$ 93,195,759
Capital and Non-Current Assets	40,117,070	37,752,691	77,869,761	41,781,657	36,169,487	77,951,144
Total Assets	<u>130,803,661</u>	<u>53,980,504</u>	<u>184,784,165</u>	<u>121,629,630</u>	<u>49,517,273</u>	<u>171,146,903</u>
<b>LIABILITIES</b>						
Current Liabilities	9,162,516	2,567,779	11,730,295	8,496,022	3,306,013	11,802,035
Long-Term Liabilities	45,181,798	37,296,908	82,478,706	46,842,339	37,846,644	84,688,983
Total Liabilities	<u>54,344,314</u>	<u>39,864,687</u>	<u>94,209,001</u>	<u>55,338,361</u>	<u>41,152,657</u>	<u>96,491,018</u>
<b>NET ASSETS</b>						
Invested in capital assets Restricted	(5,774,104)	(966,454)	(6,740,558)	(6,206,711)	(2,555,851)	(8,762,562)
Unrestricted (deficit)	36,484,671	2,049,600	38,534,271	32,005,804	2,449,600	34,455,404
Total net assets	<u>\$ 76,459,347</u>	<u>\$ 14,115,817</u>	<u>\$ 90,575,164</u>	<u>\$ 66,291,269</u>	<u>\$ 8,364,616</u>	<u>\$ 74,655,885</u>

The County's major governmental funds are the General Fund, EMS and Health Care Fund and the Capital Outlay – GRT fund. The governmental funds had an excess of revenues and other financing sources over expenditures and other financing uses of \$7,782,014, approximately a \$3.9 million decrease under 2004. Total governmental revenues increased approximately \$8 million mainly to increased property and gross receipts taxes and charges for services.

### Government-wide financial analysis.

The County change in net assets for the year ended June 30, 2005 was \$14,492,953 compared to \$15,053,455 for the year ended June 30, 2004. See pages 16 and 18 for more detail on the differences between the government wide financial statements and the governmental fund financial statements.

The fiscal year 2005 personnel costs increased because there was an increase of 79 positions to 5635 positions from the 2004 fiscal year. Of these, 72 new positions are assigned to the Youth Development Program, 2 positions were approved with the separation of the Housing and Health Departments, 2 positions were created with the Home for Good-El Norte Grant, an Emergency Management Director was added in the Fire Department and a Constituent Services Coordinator was added to the budget of the Board of County Commissioners. The Land Use department also added a Code Enforcement Inspector using funding support from inspection revenues.

The Jail Facility Enterprise Fund needed a general fund transfer of \$9,543,139 to cover the cost of housing adult inmates. This is a significant demand on General Fund resources. At the same time the population served by Jail Facility Fund has increased, and the scope and quality of services mandated by the State and Federal Governments have been raised. A County ordinance enacting the ¼% countywide Corrections gross receipts tax was approved after the start of the fiscal year, and alleviates some of the Jail Facility Fund need for future transfers from the General Fund.

### Changes in the County's Net Assets Year Ended June 30, 2005 and 2004

	2005			2004		
	Changes in Net assets			Changes in Net assets		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services	\$ 8,492,270	\$ 11,109,925	\$ 19,602,195	\$ 6,804,330	\$ 7,477,466	\$ 14,281,796
Operating grants and contributions	5,489,596	668,393	6,157,989	8,907,702	805,919	9,713,621
Capital grants and contributions	1,806,781	62,700	1,869,481	1,392,353	363,219	1,755,572
<b>General revenues</b>						
Property taxes	32,291,493	-	32,291,493	30,983,137	-	30,983,137
Gross receipt taxes	26,933,587	-	26,933,587	24,525,628	-	24,525,628
Other taxes	1,358,130	-	1,358,130	2,331,286	-	2,331,286
Investment income	1,673,837	178,945	1,852,782	1,095,262	242,511	1,337,773
Other	723,852	16,648	740,500	589,244	53,565	642,809
Contribution not restricted to a specific program	2,882,460	-	2,882,460	-	-	-
<b>Total revenues</b>	<b>81,652,006</b>	<b>12,036,611</b>	<b>93,688,617</b>	<b>76,628,942</b>	<b>8,942,680</b>	<b>85,571,622</b>
<b>Expenses</b>						
General government	19,232,291	-	19,232,291	16,246,160	-	16,246,160
Public safety	11,735,285	-	11,735,285	10,681,361	-	10,681,361
Highways and streets	7,192,633	-	7,192,633	12,179,321	-	12,179,321
Health and welfare	17,906,803	-	17,906,803	12,195,021	-	12,195,021
Culture and recreation	520,991	-	520,991	618,323	-	618,323
Economic development	289,758	-	289,758	-	-	-
Interest on long-term debt	2,511,792	-	2,511,792	2,642,104	-	2,642,104
Housing Services	-	1,801,301	1,801,301	-	1,800,328	1,800,328
Utilities Department	-	1,256,254	1,256,254	-	1,232,803	1,232,803
Jail Facility	-	16,087,922	16,087,922	-	12,399,990	12,399,990
Regional Planning Authority	-	41,848	41,848	-	182,606	182,606
Home sales	-	618,786	618,786	-	-	-
<b>Total expenses</b>	<b>59,389,553</b>	<b>19,806,111</b>	<b>79,195,664</b>	<b>54,562,290</b>	<b>15,615,727</b>	<b>70,178,017</b>
<b>Increase (decrease) in net assets before transfers</b>	<b>22,262,453</b>	<b>(7,769,500)</b>	<b>14,492,953</b>	<b>22,066,652</b>	<b>(6,673,047)</b>	<b>15,393,605</b>
<b>Transfers</b>	<b>(13,520,701)</b>	<b>13,520,701</b>	<b>-</b>	<b>(8,554,124)</b>	<b>8,554,124</b>	<b>-</b>
<b>Change in net assets</b>	<b>\$ 8,741,752</b>	<b>\$ 5,751,201</b>	<b>\$ 14,492,953</b>	<b>\$ 13,512,528</b>	<b>\$ 1,881,077</b>	<b>\$ 15,393,605</b>

## **Budgetary Highlights**

The Santa Fe County Fiscal Year 2005 Budget, totals \$105,987,103, or \$93,891,853 without counting transfers between funds. The total budget includes general operating funds which are associated with the daily operation of County government, special revenue funds which are those funds legally restricted to specific uses such as road maintenance, lodgers tax, indigent health care, capital improvement funds for improvements to county facilities and county infrastructure, debt service funds which pay for principal and interest on outstanding bonds and enterprise funds where user fees primarily generate the fund revenues.

The General Fund original operating budget for Fiscal Year 2005 expenditures and transfers out totals \$39.4 million and totaled \$42.3 million with all budget changes, up \$2.7 million from \$37.7 million budgeted in Fiscal Year 2004. The major source of increase to General Fund revenues was \$1.3 million in property taxes, \$0.3 million in gross receipts taxes, a \$0.2 million increase in fees, charges and other revenue, a \$0.5 million increase in state and federal grants, and a \$0.4 million increase in budgeted cash, primarily due to actual revenue exceeding budget in FY 2004.

The Special Revenue Funds budget for Fiscal Year 2005 totals \$32.0 million, which is up somewhat from the \$29.6 million, budgeted in the prior fiscal year. Increase in the original budget to the financial budgets of approximately 8.9 million. This increase is principally due to increases in gross receipts tax revenues, and an increase in the use of budgeted cash, principally in the Road Maintenance Fund and the EMS and Health Care, Fire Fund and Indigent Hospital.

Capital Project Funds are budgeted in Fiscal Year 2005 at \$10.0 million compared to \$4.7 million in Fiscal Year 2004. The difference can be attributed primarily to the inclusion of \$3.5 million in State-funded road projects, and \$3.5 million for a Public Works facility. Budget increases, totaling \$12.2 million were approved during the fiscal year. The significant adjustments were:

- \$4.2 million for grants,
- \$262,000 for transfers between funds,
- budgeted cash of \$7.6 million and
- increases to investment income of \$133,000.

Debt Service Funds original and final budgets were at \$4.9 million in Fiscal Year 2005 compared to \$5.5 million in the prior fiscal year mainly due to the retirement of Fire Tax bonds, and an early retirement of Environmental GRT bonds. The result is a savings to the count of over \$100,000 in interest payments.

Enterprise Fund budgets (water utilities, housing, and the county jail) total \$18.5 million in Fiscal Year 2005, up from \$15.3 million in Fiscal Year 2004. Nearly all of this increase is due to the increased costs of operating the Adult Detention Facility, and the assumptions of the operations of the Youth Development (Juvenile) Facility; the latter with full revenue and costs shown in the budget rather than net costs paid to a contractor.

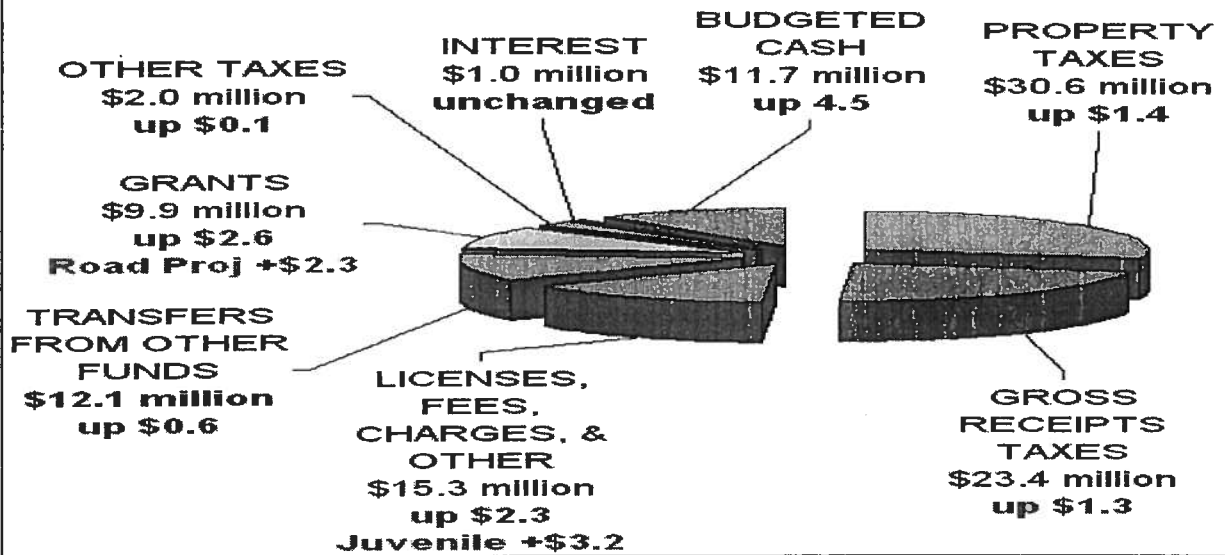
Budget increases, decreases and transfers totaling 2.9 million were approved during the fiscal year.

Significant 2005 budget adjustments were

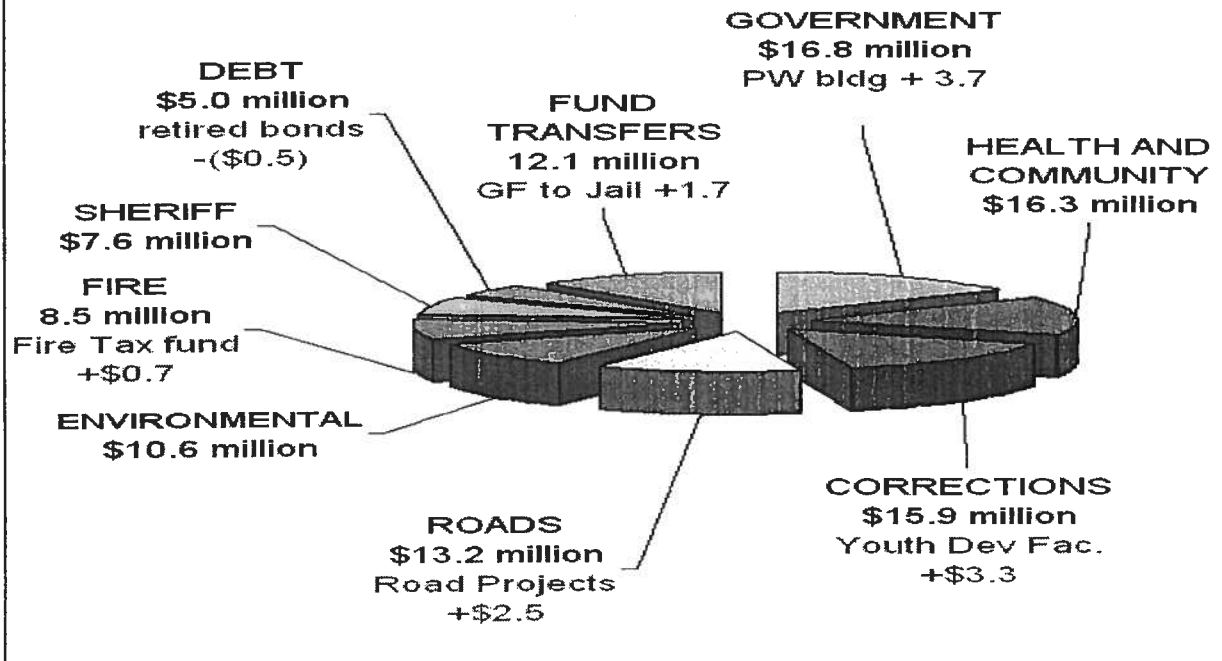
- \$446,000 for grants for the Utility and Jail Facility,
- Inmate care and housing of juveniles for \$409,000,
- Transfers between funds of \$934,000 and
- Budgeted cash carryover totaling \$3.9 million for the Jail Facility Fund.

**SANTA FE COUNTY FY 2005 BUDGET**  
**\$105,987,103 up \$13.1 million**

**ALL FUND SOURCES**



**ALL FUND USES**





## **Credit Ratings**

Standard and Poor's performed an underlying rating review as of January 2005 of the 1997 Santa Fe County Gross Receipts Tax Revenue Bonds and affirmed an "A" rating with a stable outlook.

Moody's performed a rating review as of July 2005 of the 2005 General Obligation Bond Refunding Series of the 1997 General Obligation Bond issue with an affirmation of an underlying Aa2 rating with a stable outlook.

## **Capital Assets and Debt Administration**

### **Capital Assets**

Capital assets include land, buildings and improvements, water systems, transfer stations, roads and infrastructure, vehicle/heavy equipment, machinery and equipment, furniture and fixtures, lease purchases and construction in progress. Major capital asset events during the current fiscal year included the following:

- Construction of the Arroyo Seco Teen Center, Phase II for \$59,232.
- Capital costs attributed to the Adolescent Residential Center for renovation and construction totaling \$980,000.
- Capital costs attributed to the Camino Rael River Trail project of \$400,449.
- Capital costs of \$152,000 for the extension of the sewer line from Rufina Street to Agua Fria Road through Camino Polvoso.
- Capital costs for the purchase of land for Open Space and Trails projects totaling \$1,153,000.
- Earnest deposit of \$25,000 for the purchase of the Paramount property pending final appraisal.

### **Long-Term Debt Administration**

Santa Fe County's maximum legal debt capacity for general obligation bond indebtedness was \$195,527,471 as of June 30, 2005. Current general obligation outstanding debt issues obligate \$38,483,998, leaving \$157,043,473 of available bonding capacity in excess of present debt requirements. The County plans to issue the next series of general obligation bonds in fall of 2005.

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

The Santa Fe County Fiscal Year 2006 Budget, totals \$123,628,110, or \$109,176,983 without transfers between funds. The total budget includes general operating funds, which are associated with the daily operation of County government, special revenue funds, lodgers' tax, indigent health care, capital improvement funds, debt service funds and enterprise funds.

The General Fund operating budget for Fiscal Year 2006 expenditures totals \$41.3 million, up \$0.9 million from \$40.4 million budgeted in Fiscal Year 2005. The major sources of increases in General Fund revenues are attributable to increases in property taxes, gross receipt taxes, and budgeted cash, primarily due to actual revenue exceeding budget in Fiscal Year 2005. The amount of increase from year to year is smaller given that several alcohol related grants were moved from General Fund into their own respective funds.

The Special Revenue Funds budget for Fiscal Year 2006 totals \$40.9 million, which is up somewhat from the \$32.0 million, budgeted in the prior fiscal year. This increase is principally due to the movement of alcohol related grants totaling \$800,000 and Detoxification grants totaling \$900,000 from the General Fund to individual funds. Additional increases in Indigent and EMS Healthcare, and an increase in the use of budgeted cash, principally in the Fire Tax Fund.

Capital Project Funds are budgeted in Fiscal Year 2006 at \$12.9 million compared to \$10.0 million in Fiscal Year 2005. Debt Service Funds are budgeted at \$4.8 million in Fiscal Year 2006, compared to \$5.0 million in the prior fiscal year.

Enterprise Funds budgets (water utilities, housing, and the county jail) total \$23.6 million in Fiscal Year 2006, up from \$5.0 million in Fiscal Year 2005. Nearly all of this increase is due to the increased costs of operating the Adult Detention Facility.

### **Financial Contact**

The County's financial statements are designed to present users with the general overview of the County's finances and to demonstrate the Department's accountability. If you have questions about the report or need additional information, contact the County's Finance Director at 102 Grant Ave, PO Box 276, Santa Fe, New Mexico 87504 or visit our website at <http://www.santafecounty.nm.us>.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit 1

Statement of Net Assets

June 30, 2005

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in pooled cash investments - Unrestricted <i>GF(Net)</i>	\$ 19,671,694	\$ -	\$ 19,671,694
Equity in pooled cash investments - Restricted	54,704,269	12,641,789	67,346,058
Receivables, net of allowance for uncollectible			
Accounts	1,537,330	2,021,786	3,559,116
Taxes	7,493,730	-	7,493,730
Interest	183,976	78,763	262,739
Grantor agencies and other	2,786,806	-	2,786,806
Notes and mortgage receivables, net	4,308,786	273,424	4,582,210
Interfund balances	-	-	-
Assets held for sale	-	1,432,567	1,432,567
Capital assets (net of accumulated depreciation)	40,117,070	33,604,245	73,721,315
Deferred costs, net	-	395,251	395,251
Water rights	-	3,532,679	3,532,679
<b>Total assets</b>	<b>\$ 130,803,661</b>	<b>\$ 53,980,504</b>	<b>\$ 184,784,165</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenditures	\$ 2,897,121	\$ 772,815	\$ 3,669,936
Accrued interest	1,133,331	645,371	1,778,702
Interfund balances	-	-	-
Deferred revenue	439,490	220,516	660,006
Deposits held for others	120,285	122,607	242,892
Noncurrent liabilities:			
Due within one year	4,572,289	806,470	5,378,759
Due in more than one year	45,181,798	37,296,908	82,478,706
<b>Total liabilities</b>	<b>54,344,314</b>	<b>39,864,687</b>	<b>94,209,001</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	(5,774,104)	(966,454)	(6,740,558)
Restricted for:			
Debt service	5,634,137	2,049,600	7,683,737
Capital projects	30,850,534	-	30,850,534
Unrestricted	45,748,780	13,032,671	58,781,451
<b>Total net assets</b>	<b>\$ 76,459,347</b>	<b>\$ 14,115,817</b>	<b>\$ 90,575,164</b>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit 2

Statements of Activities

Year Ended June 30, 2005

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Primary government:</b>							
<b>Governmental activities</b>							
General government	\$ (1,232,291)	\$ 4,898,489	\$ 2,101,579	\$ 308,833	\$ (1,923,390)	\$ -	\$ (11,923,390)
Public safety	(1,735,285)	-	226,073	-	(1,509,212)	-	(11,509,212)
Highways and streets	(7,192,633)	-	41,453	1,432,400	(5,718,780)	-	(5,718,780)
Health and welfare	(17,906,803)	3,593,781	3,068,069	65,548	(11,179,405)	-	(11,179,405)
Culture and recreation	(520,991)	-	42,422	-	(478,569)	-	(478,569)
Economic development	(289,758)	-	10,000	-	(279,758)	-	(279,758)
Interest expense	(2,511,792)	-	-	-	(2,511,792)	-	(2,511,792)
<b>Total governmental activities</b>	<b>(59,389,553)</b>	<b>8,492,270</b>	<b>5,489,596</b>	<b>1,806,781</b>	<b>(43,600,906)</b>	<b>-</b>	<b>(43,600,906)</b>
<b>Business -type activities:</b>							
Housing services	(1,801,301)	331,094	643,920	48,383	-	(777,904)	(777,904)
Utilities department	(1,256,254)	1,075,283	-	-	-	(180,971)	(180,971)
Jail facility	(16,087,922)	9,012,512	24,473	-	-	(7,050,937)	(7,050,937)
Regional planning authority	(41,848)	11,069	-	14,317	-	(16,462)	(16,462)
Home sales	(618,786)	679,967	-	-	-	61,181	61,181
<b>Total business-type activities</b>	<b>(19,806,111)</b>	<b>11,109,925</b>	<b>668,393</b>	<b>62,700</b>	<b>-</b>	<b>(7,965,093)</b>	<b>(7,965,093)</b>
<b>Total primary government</b>	<b>(79,195,664)</b>	<b>19,602,195</b>	<b>6,157,989</b>	<b>1,869,481</b>	<b>(43,600,906)</b>	<b>(7,965,093)</b>	<b>(51,565,999)</b>
<b>General Revenues</b>							
Property taxes					32,291,493	-	32,291,493
Gross receipt taxes					26,933,587	-	26,933,587
Other taxes					1,358,130	-	1,358,130
Investment income					1,673,837	178,945	1,852,782
Other					723,852	16,648	740,500
Contributions not restricted to a specific program					2,882,460	-	2,882,460
<b>Total general revenues</b>					<b>65,863,359</b>	<b>195,593</b>	<b>66,058,952</b>
Changes in net assets before transfers					22,262,453	(7,769,500)	14,492,953
<b>Transfers</b>					<b>(13,520,701)</b>	<b>13,520,701</b>	<b>-</b>
Change in net assets					8,741,752	5,751,201	14,492,953
Net assets - beginning					66,291,269	8,364,616	74,655,885
Prior period correction					1,426,326	-	1,426,326
Net assets - beginning as adjusted					67,717,595	8,364,616	76,082,211
Net assets - ending					\$ 76,459,347	\$ 14,115,817	\$ 90,575,164

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit 3

Combining Balance Sheet  
Government Funds

Year Ended June 30, 2005

	Major Funds			Non-Major Other Funds	Total
	General	EMS and Health Care	Capital Outlay GRT		
<b>ASSETS</b>					
Equity in pooled cash and investments - Unrestricted	\$19,671,694	\$ -	\$ -	\$ -	\$ 19,671,694
Equity in pooled cash and investments - Restricted	1,815,290	2,363,041	16,329,325	34,196,613	54,704,269
Receivables, net of allowance for uncollectible					
Accounts	25,965	-	1,511,365	-	1,537,330
Taxes	3,634,953	1,180,589	-	2,678,188	7,493,730
Interest	145,322	-	-	38,654	183,976
Grantor agencies and other	395,737	37,959	-	2,353,110	2,786,806
Mortgages	-	-	-	4,308,786	4,308,786
Due from other funds	827,631	-	-	5,719	833,350
<b>Total assets</b>	<b>\$26,516,592</b>	<b>\$ 3,581,589</b>	<b>\$ 17,840,690</b>	<b>\$43,581,070</b>	<b>\$ 91,519,941</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenditures	\$ 1,858,404	\$ 210,634	\$ 96,094	\$ 731,989	\$ 2,897,121
Due to other funds	-	-	-	833,350	833,350
Deferred revenue	2,725,796	-	-	4,694,912	7,420,708
Deposits held for others	-	-	-	120,285	120,285
<b>Total liabilities</b>	<b>4,584,200</b>	<b>210,634</b>	<b>96,094</b>	<b>6,380,536</b>	<b>11,271,464</b>
<b>Fund Balance</b>					
<b>Reserved for</b>					
Encumbrances	1,915,499	816,574	907,652	2,851,216	6,490,941
Debt service	-	-	-	5,634,137	5,634,137
<b>Total reserved fund balance</b>	<b>1,915,499</b>	<b>816,574</b>	<b>907,652</b>	<b>8,485,353</b>	<b>12,125,078</b>
<b>Unreserved - Designated for</b>					
Subsequent year expenditures by grant or law	-	2,554,381	-	15,697,252	18,251,633
Contingency	1,815,290	-	-	-	1,815,290
Capital improvements	-	-	16,836,944	12,992,929	29,829,873
Unreserved - Undesignated	18,201,603	-	-	25,000	18,226,603
<b>Total unreserved fund balance</b>	<b>20,016,893</b>	<b>2,554,381</b>	<b>16,836,944</b>	<b>28,715,181</b>	<b>68,123,399</b>
<b>Total fund balance</b>	<b>21,932,392</b>	<b>3,370,955</b>	<b>17,744,596</b>	<b>37,200,534</b>	<b>80,248,477</b>
<b>Total liabilities and fund balance</b>	<b>\$26,516,592</b>	<b>\$ 3,581,589</b>	<b>\$ 17,840,690</b>	<b>\$43,581,070</b>	<b>\$ 91,519,941</b>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit 4

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets

Year Ended June 30, 2005

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

Total Fund Balance Governmental Funds	\$ 80,248,477
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	40,117,070
Long-term liabilities, including bonds payable, and therefore are not reported in the governmental funds	(49,754,087)
Reductions of deferred revenue for property tax revenue recorded on full accrual basis. Governmental funds recognize tax revenue on the modified accrual basis	2,672,432
Accrual of interest on long-term obligations not recorded by the governmental funds until paid	(1,133,331)
Developer funded mortgages not recorded as revenue by the governmental funds until paid by the homeowners	<u>4,308,786</u>
Net assets governmental activities	<u><u>\$ 76,459,347</u></u>

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit 5

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds

Year Ended June 30, 2005

	Major Funds			Non-Major Other Funds	Total
	General	EMS and Health Care	Capital Outlay Gross Receipts Tax		
<b>Revenues:</b>					
Grants	\$ 2,100,757	\$ 208,293	\$ -	\$ 4,961,707	\$ 7,270,757
Taxes and special assessments	33,008,259	4,317,545	8,560,592	15,101,049	60,987,445
Interest earnings	1,280,136	-	-	393,701	1,673,837
Charges for services, fines and penalties	1,772,133	3,593,781	-	3,126,356	8,492,270
Other	423,254	17,928	-	308,290	749,472
<b>Total revenues</b>	<b>38,584,539</b>	<b>8,137,547</b>	<b>8,560,592</b>	<b>23,891,103</b>	<b>79,173,781</b>
<b>Expenditures:</b>					
<b>Current</b>					
General government services	14,018,320	-	-	742,970	14,761,290
Public safety	6,553,023	-	-	2,671,158	9,224,181
Highways and streets	3,096,024	-	-	2,444,861	5,540,885
Health and welfare	1,643,085	8,002,968	-	7,826,289	17,472,342
Culture and recreation	391,700	-	-	67,111	458,811
Economic development	-	-	-	289,758	289,758
Capital outlay	2,694,732	-	40,841	3,596,077	6,331,650
Capital outlay for enterprise funds	-	-	1,653,556	284,654	1,938,210
Debt service (principal and interest)	-	-	-	5,112,020	5,112,020
<b>Total expenditures</b>	<b>28,396,884</b>	<b>8,002,968</b>	<b>1,694,397</b>	<b>23,034,898</b>	<b>61,129,147</b>
<b>Excess (Deficiency) or Revenues over Expenditures</b>	<b>10,187,655</b>	<b>134,579</b>	<b>6,866,195</b>	<b>856,205</b>	<b>18,044,634</b>
<b>Other Financing Sources (Uses):</b>					
Operating transfers, in	1,068,058	-	-	3,185,852	4,253,910
Operating transfers, out	(10,300,316)	(36,500)	(225,058)	(3,954,656)	(14,516,530)
<b>Total other financing sources (uses)</b>	<b>(9,232,258)</b>	<b>(36,500)</b>	<b>(225,058)</b>	<b>(768,804)</b>	<b>(10,262,620)</b>
<b>Net changes in fund balances</b>	<b>955,397</b>	<b>98,079</b>	<b>6,641,137</b>	<b>87,401</b>	<b>7,782,014</b>
<b>Fund balance, beginning of year</b>	<b>20,976,995</b>	<b>3,272,876</b>	<b>11,103,459</b>	<b>37,113,133</b>	<b>72,466,463</b>
<b>Fund balance, end of year</b>	<b>\$21,932,392</b>	<b>\$ 3,370,955</b>	<b>\$ 17,744,596</b>	<b>\$37,200,534</b>	<b>\$80,248,477</b>

The accompanying notes are an integral part to this statement.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit 6

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year Ended June 30, 2005

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

Net changes in fund balance total governmental funds	\$ 7,782,014
Current year Capital Outlay expenditures capitalized in the statement of Net Assets	6,331,650
Depreciation expense recorded in the Statement of Activities	(7,971,759)
Debt Service principal payments expensed in the governmental funds, recorded as a reduction of long-term liabilities in the Statement of Net Assets	2,779,546
General fund payments expense for capital lease obligations and post closure costs recorded as a reduction of long-term liabilities	114,512
Increase in post closure cost liability	(1,065,315)
Increase in compensated absences not recorded until paid by the governmental funds	(183,454)
Net increase in accrued interest expense not recorded until paid by the governmental funds	(179,318)
Current year developer funded mortgages not recorded as revenue in the governmental funds but recorded as deferred revenue	2,882,460
Net effect of full accrual accounting to record tax revenue in the Statement of Activities which is recorded on a modified accrual basis in the governmental financial statements	(404,235)
Transfer of assets held for sale from governmental activities to Business-type activities	(1,319,871)
Loss on disposal of capital assets not recorded in the governmental funds	<u>(24,478)</u>
Change in net assets	<u><u>\$ 8,741,752</u></u>

The accompanying notes are an integral part of this statement.



**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit 7

General Fund  
Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Basis)

Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>				
Grants	\$ 3,205,698	\$ 3,416,304	\$ 2,999,666	\$ (416,638)
Taxes and special assessments	31,578,420	31,951,090	33,004,855	1,053,765
Interest earnings	800,000	800,000	1,280,136	480,136
Charges for services, fines and penalties	1,256,450	1,256,450	1,289,369	32,919
Licenses and permits	388,000	411,000	424,285	13,285
Other	79,955	199,015	157,751	(41,264)
	<u>37,308,523</u>	<u>38,033,859</u>	<u>\$ 39,156,062</u>	<u>\$ 1,122,203</u>
Cash balance carryforward	<u>2,133,947</u>	<u>4,245,572</u>		
	<u>\$ 39,442,470</u>	<u>\$ 42,279,431</u>		
<b>Expenditures:</b>				
General government services	\$ 16,755,199	\$ 17,109,985	\$ 15,481,428	\$ 1,628,557
Public safety	6,563,156	7,416,818	7,158,045	258,773
Highways and streets	965,414	2,025,439	1,893,526	131,913
Health and welfare	2,167,373	2,344,850	1,764,743	580,107
Culture and recreation	501,599	560,929	533,584	27,345
Public works	3,190,385	3,589,152	3,462,253	126,899
	<u>\$ 30,143,126</u>	<u>\$ 33,047,173</u>	<u>\$ 30,293,579</u>	<u>\$ 2,753,594</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	\$ 979,618	\$ 1,060,118	\$ 1,068,058	\$ 7,940
Operating transfers out	(10,278,962)	(10,292,376)	(10,300,316)	(7,940)
Total other financing sources (uses)	<u>\$ (9,299,344)</u>	<u>\$ (9,232,258)</u>	<u>\$ (9,232,258)</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit 8

EMS and Health Care  
Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Basis)

Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>				
Grants	\$ 221,669	\$ 425,156	\$ 261,873	\$ (163,283)
Taxes and special assessments	4,100,000	4,100,000	4,328,478	228,478
Interest earnings	-	-	-	-
Charges for services, fines and penalties	2,870,000	3,098,346	3,272,411	174,065
Licenses and permits	40,000	40,000	70,743	30,743
Other	-	-	-	-
	7,231,669	7,663,502	<u>\$ 7,933,505</u>	<u>\$ 270,003</u>
Cash balance carryforward	525,830	1,661,654		
	<u>\$ 7,757,499</u>	<u>\$ 9,325,156</u>		
<b>Expenditures:</b>				
General government services	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	7,757,499	9,288,656	8,881,405	407,251
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
	<u>\$ 7,757,499</u>	<u>\$ 9,288,656</u>	<u>\$ 8,881,405</u>	<u>\$ 407,251</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	(36,500)	(36,500)	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (36,500)</u>	<u>\$ (36,500)</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit 9

Capital Outlay - Gross Receipts Tax  
Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Basis)

Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	8,200,000	8,200,000	8,562,866	362,866
Interest earnings	-	-	-	-
Charges for services, fines and penalties	-	-	-	-
Other	-	-	-	-
Total revenues	<u>8,200,000</u>	<u>8,200,000</u>	<u>\$ 8,562,866</u>	<u>\$ 362,866</u>
Cash balance carryforward	<u>-</u>	<u>1,042,399</u>		
Total	<u>\$ 8,200,000</u>	<u>\$ 9,242,399</u>		
<b>Expenditures:</b>				
General government services	\$ 8,200,000	\$ 9,015,944	\$ 2,602,049	\$ 6,413,895
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Total expenditures	<u>\$ 8,200,000</u>	<u>\$ 9,015,944</u>	<u>\$ 2,602,049</u>	<u>\$ 6,413,895</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	(226,455)	(225,058)	1,397
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (226,455)</u>	<u>\$ (225,058)</u>	<u>\$ 1,397</u>

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit 10

Combining Statement of Net Assets  
Enterprise Funds

Year Ended June 30, 2005

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and investments- restricted	\$ 1,946,544	\$ 2,696,100	\$ 7,187,659	\$ 127,247	\$ 684,239	\$ 12,641,789
Accrued interest	-	14,288	64,475	-	-	78,763
Accounts receivable, net	80,084	196,641	1,733,992	11,069	-	2,021,786
Interfund balances	-	-	-	-	-	-
Notes receivable, net	-	52,908	-	-	-	52,908
Assets held for sale	-	-	-	-	1,432,567	1,432,567
<b>Total current assets</b>	<u>2,026,628</u>	<u>2,959,937</u>	<u>8,986,126</u>	<u>138,316</u>	<u>2,116,806</u>	<u>16,227,813</u>
<b>Fixed assets - building, land, equipment jail facility and water system</b>						
	7,722,159	7,469,544	28,752,473	13,466	-	43,957,642
Accumulated depreciation	<u>(3,572,353)</u>	<u>(1,316,331)</u>	<u>(5,457,690)</u>	<u>(7,023)</u>	<u>-</u>	<u>(10,353,397)</u>
<b>Total fixed assets, net of depreciation</b>	4,149,806	6,153,213	23,294,783	6,443	-	33,604,245
Deferred costs, net	-	-	395,251	-	-	395,251
Water rights	-	3,532,679	-	-	-	3,532,679
Mortgage receivable	-	-	-	-	220,516	220,516
<b>Total assets</b>	<u>\$ 6,176,434</u>	<u>\$ 12,645,829</u>	<u>\$ 32,676,160</u>	<u>\$ 144,759</u>	<u>\$ 2,337,322</u>	<u>\$ 53,980,504</u>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and compensated absences	\$ 60,756	\$ 147,967	\$ 563,661	\$ 431	\$ -	\$ 772,815
Accrued interest	-	-	645,371	-	-	645,371
Interfund balances	-	-	-	-	-	-
Deposits held for others	53,421	9,878	59,308	-	-	122,607
Current portion of notes and bonds payable	106,470	-	700,000	-	-	806,470
Deferred revenue	-	-	-	-	220,516	220,516
<b>Total current liabilities</b>	<u>220,647</u>	<u>157,845</u>	<u>1,968,340</u>	<u>431</u>	<u>220,516</u>	<u>2,567,779</u>
<b>Noncurrent Liabilities</b>						
Notes and bonds payable	5,061,942	-	27,045,000	-	-	32,106,942
Interest payable	5,189,966	-	-	-	-	5,189,966
<b>Total noncurrent liabilities</b>	<u>10,251,908</u>	<u>-</u>	<u>27,045,000</u>	<u>-</u>	<u>-</u>	<u>37,296,908</u>
<b>Total liabilities</b>	<u>10,472,555</u>	<u>157,845</u>	<u>29,013,340</u>	<u>431</u>	<u>220,516</u>	<u>39,864,687</u>
<b>Net assets</b>						
Invested in capital assets and water rights, net of related debt	(6,208,572)	9,685,892	(4,450,217)	6,443	-	(966,454)
Restricted for Debt service	-	-	2,049,600	-	-	2,049,600
Unrestricted	1,912,451	2,802,092	6,063,437	137,885	2,116,806	13,032,671
<b>Total net assets</b>	<u>(4,296,121)</u>	<u>12,487,984</u>	<u>3,662,820</u>	<u>144,328</u>	<u>2,116,806</u>	<u>14,115,817</u>
<b>Total liabilities and net assets</b>	<u>\$ 6,176,434</u>	<u>\$ 12,645,829</u>	<u>\$ 32,676,160</u>	<u>\$ 144,759</u>	<u>\$ 2,337,322</u>	<u>\$ 53,980,504</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit 11

Statement of Revenues, Expenditures and Changes in Fund Net Assets

Enterprise Funds

Year Ended June 30, 2005

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
<b>Operating revenues</b>						
Facilities rentals and charges for services	\$ 331,094	\$ -	\$ 9,012,512	\$ 11,069	\$ -	\$ 9,354,675
Water sales, net	-	1,075,283	-	-	-	1,075,283
Miscellaneous	-	5,648	11,000	-	-	16,648
Sale of homes	-	-	-	-	679,967	679,967
<b>Total operating revenues</b>	<u>331,094</u>	<u>1,080,931</u>	<u>9,023,512</u>	<u>11,069</u>	<u>679,967</u>	<u>11,126,573</u>
<b>Operating expenses</b>						
Cost of sales	-	-	-	-	618,786	618,786
General	1,443,053	1,256,254	14,531,358	41,848	-	17,272,513
<b>Total operating expenses</b>	<u>1,443,053</u>	<u>1,256,254</u>	<u>14,531,358</u>	<u>41,848</u>	<u>618,786</u>	<u>17,891,299</u>
<b>Operating income (loss)</b>	<u>(1,111,959)</u>	<u>(175,323)</u>	<u>(5,507,846)</u>	<u>(30,779)</u>	<u>61,181</u>	<u>(6,764,726)</u>
<b>Non-operating revenues (expenses)</b>						
Interest on cash and investments	3,163	21,131	154,651	-	-	178,945
HUD operating subsidy and other federal funds	643,920	-	24,473	-	-	668,393
Interest expense on notes payable	(358,248)	-	(1,556,564)	-	-	(1,914,812)
<b>Total non-operating revenues (expenses)</b>	<u>288,835</u>	<u>21,131</u>	<u>(1,377,440)</u>	<u>-</u>	<u>-</u>	<u>(1,067,474)</u>
<b>Net income (loss) before contributions and operating transfers</b>	<u>(823,124)</u>	<u>(154,192)</u>	<u>(6,885,286)</u>	<u>(30,779)</u>	<u>61,181</u>	<u>(7,832,200)</u>
<b>Capital Contributions</b>						
Capital asset contributions from customers and other	48,383	-	14,317	-	-	62,700
Capital assets contributions to (from) other funds	(451,100)	1,653,556	-	-	2,055,625	3,258,081
<b>Total capital contributions</b>	<u>(402,717)</u>	<u>1,653,556</u>	<u>14,317</u>	<u>-</u>	<u>2,055,625</u>	<u>3,320,781</u>
Operating transfers in	443,099	176,382	9,543,139	100,000	-	10,262,620
Operating transfers (out)	-	-	-	-	-	-
<b>Total transfers</b>	<u>443,099</u>	<u>176,382</u>	<u>9,543,139</u>	<u>100,000</u>	<u>-</u>	<u>10,262,620</u>
<b>Change in net assets</b>	<u>(782,742)</u>	<u>1,675,746</u>	<u>2,672,170</u>	<u>69,221</u>	<u>2,116,806</u>	<u>5,751,201</u>
<b>Net assets (deficit), beginning of year</b>	<u>(3,513,379)</u>	<u>10,812,238</u>	<u>990,650</u>	<u>75,107</u>	<u>-</u>	<u>8,364,616</u>
<b>Net assets (deficit), end of year</b>	<u>\$ (4,296,121)</u>	<u>\$ 12,487,984</u>	<u>\$ 3,662,820</u>	<u>\$ 144,328</u>	<u>\$ 2,116,806</u>	<u>\$ 14,115,817</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit 12

Statement of Cash Flows

Enterprise Funds

Year Ended June 30, 2005

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
<b>Cash Flows from Operating Activities</b>						
Cash received from customers and others	\$ 316,366	\$ 1,310,418	\$ 8,807,099	\$ 163,687	\$ 679,967	\$ 11,277,537
Cash payments to suppliers for goods and services	(340,274)	(378,734)	(11,748,327)	(28,946)	-	(12,496,281)
Cash payments to employees for services	(845,322)	(561,623)	(3,068,299)	(18,083)	-	(4,493,327)
<b>Net cash provided (used) by operating activities</b>	<u>(869,230)</u>	<u>370,061</u>	<u>(6,009,527)</u>	<u>116,658</u>	<u>679,967</u>	<u>(5,712,071)</u>
<b>Cash Flows Provided from Noncapital Financing activities</b>						
Cash from grantors and other	404,961	-	38,790	-	4,272	448,023
Cash from operating transfers in	443,099	176,382	9,543,139	100,000	-	10,262,620
Cash used to pay due to other funds	-	-	-	(89,411)	-	(89,411)
<b>Net cash provided by noncapital financing activities</b>	<u>848,060</u>	<u>176,382</u>	<u>9,581,929</u>	<u>10,589</u>	<u>4,272</u>	<u>10,621,232</u>
<b>Cash Flows Provided from Capital and Related Financing Activities</b>						
Payment of notes payable and accrued interest	-	-	(1,927,045)	-	-	(1,927,045)
Cash paid for fixed assets	-	(241,948)	(804,296)	-	-	(1,046,244)
<b>Net cash (used by) provided by capital and related financing activities</b>	<u>-</u>	<u>(241,948)</u>	<u>(2,731,341)</u>	<u>-</u>	<u>-</u>	<u>(2,973,289)</u>
<b>Cash Flows from Investing Activities - Interest on cash and investment</b>						
	3,163	36,407	155,443	-	-	195,013
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(18,007)</u>	<u>340,902</u>	<u>996,504</u>	<u>127,247</u>	<u>684,239</u>	<u>2,130,885</u>
Cash and investments at beginning of year	1,964,551	2,355,198	6,191,155	-	-	10,510,904
Cash and investments at end of year	<u>\$ 1,946,544</u>	<u>\$ 2,696,100</u>	<u>\$ 7,187,659</u>	<u>\$ 127,247</u>	<u>\$ 684,239</u>	<u>\$ 12,641,789</u>

The accompanying notes are an integral part of this statement.

(Continued)

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit 12

Statement of Cash Flows (Continued)

Enterprise Funds

Year Ended June 30, 2005

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
Reconciliation of operating income (loss to net cash provided (used) by operating activities						
Operating income (loss)	\$(1,111,959)	\$(175,323)	\$(5,507,846)	\$ (30,779)	\$ 61,181	\$(6,764,726)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization expenses	247,587	210,894	924,321	2,693	-	1,385,495
Bad debt expense	1,135	-	-	-	-	1,135
Change in assets and liabilities						
(Increase) decrease in accounts receivable	(14,338)	(4,253)	(372,377)	152,619	-	(238,349)
(Increase) decrease in notes receivable	-	218,868	-	-	-	218,868
(Increase) decrease in assets held for sale	-	-	-	-	618,786	618,786
Increase (decrease) in accounts payable and compensated absences	5,588	116,033	(1,065,619)	(7,875)	-	(951,873)
(Decrease) increase in deposits held for others	2,757	3,842	11,994	-	-	18,593
<b>Total adjustments</b>	<u>242,729</u>	<u>545,384</u>	<u>(501,681)</u>	<u>147,437</u>	<u>618,786</u>	<u>1,052,655</u>
<b>Net cash provided by (used by) operating activities</b>	<u>\$ (869,230)</u>	<u>\$ 370,061</u>	<u>\$ (6,009,527)</u>	<u>\$ 116,658</u>	<u>\$ 679,967</u>	<u>\$(5,712,071)</u>

Supplemental information: Non monetary transactions - HUD forgave \$201,718 of interest and principal and contributed revenue was credited. Also the County governmental funds paid for \$48,383 of capital asset additions for Housing Services and \$1,653,556 of capital asset and water rights additions for the Utilities Department. Housing Services contributed \$451,100 of homes held for sale to the Home Sale fund and \$252,945 of mortgages receivable and corresponding deferred revenue. Other funds contributed \$1,604,525 of homes held for sale to the Home Sales fund.

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit 13

Agency Funds  
Statement of Net Assets  
June 30, 2005

**ASSETS**

Equity in pooled cash and investments - restricted	\$ 1,921,199
Property taxes receivable	<u>5,151,317</u>
<b>Total assets</b>	<u><u>7,072,516</u></u>

**LIABILITIES**

Due to other governments	5,151,317
Overpayments and taxes paid in advance	959,512
Deposits held for others	379,344
Undistributed taxes to other entities	<u>582,343</u>
<b>Total liabilities</b>	<u><u>7,072,516</u></u>

<b>Net assets</b>	<u><u>\$ -</u></u>
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The accompanying notes are an integral part of this statement.



STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements

**(1) Summary of Significant Accounting Policies**

Santa Fe County (County) was established by the laws of the Territory of New Mexico of 1852, under provisions of the act now referred to as Section 4-26-1 of the New Mexico Statutes Annotated, 1978 Compilation. The County operates under the commission-manager form of government and provide the following services as authorized in the grant of powers: public safety (police, fire), highways and streets, sanitation, health and social services, low rent housing assistance, culture-recreation, public improvements, planning and zoning, and general administration services.

The County's entity wide financial statements sheet includes the accounts of all the County's operations. The County's major operations include sheriff and fire protection, collection of and distribution of property taxes, parks and recreation, planning and zoning, certain health social service, general administration service, low income housing assistance, jail operations and the utilities division.

**Reporting Entity**

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statements 14 and 39. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operation, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. GASB 39 became effective July 1, 2003 which expanded the criteria of a component unit, and the Rancho Viejo Improvement District became part of the County's financial statements as a debt service fund.

There is not a separate governing body for the Rancho Viejo Improvement District and per the debt offering statement the County's Commissioners become the governing body. The funds from the debt benefited the County and accordingly, per GASB 39, the Rancho Viejo Improvement District fund is blended with the County's financial statements.

During July 1996, the Housing Authority's Board resigned and day to day operations became a County responsibility. The Authority operations are included in the financial statements as County enterprise and special revenue funds. The Santa Fe County Housing Authority Enterprise Fund is now known as Housing Services Enterprise Fund (Housing Services).

The Santa Fe County Water Company (Water Company) was organized for the purposes of planning, studying, designing, financing, constructing, purchasing, owning, operating, maintaining, and improving systems for the supply and distribution of water to and for the general public in one or more areas of Santa Fe County, New Mexico, pursuant to and in accordance with the Franchise Ordinance and other contractual agreements with the Commission, in order to promote the conservation of and efficient use of water (and for related purposes). During July 1996, the Water Company was dissolved and is now accounted for as a County enterprise fund.

The Water Company, now known as Santa Fe County Utilities Department (Utilities Department) is an enterprise fund and its operations had commenced June 28, 1996. Costs incurred in the planning and design of a water system have been capitalized and are amortized over the 50 year life of the water system.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

The financial statements of the County have been prepared to conform with generally accepted accounting principles (GAAP) as applied to governmental entities. The County is responsible for the fair presentation in the basic financial statements of its financial position, results of operations and cash flows of the proprietary funds in conformity with United States generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The County follows GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB 34). This statement affects the manner in which the county records transactions and presents financial information. State and local governments have traditionally used a financial reporting model substantially different from the one used to prepare private-sector financial reports. GASB 34 establishes new requirements and a new reporting model, much like private-sector financial reports, for the annual financial reports of state and local governments. The new format was developed to make annual reports of state and local governments easier to understand and more useful to users of governmental financial information.

*Management Discussion and Analysis* – GASB 34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the County’s financial activities in the form of management’s discussion and analysis (MD&A). This analysis is similar to the analysis provided in the annual reports of private-sector organizations.

*Government-wide Financial Statements* –The reporting model includes financial statements prepared using full accrual accounting for all the County’s activities. This approach includes not just current assets and liabilities, but also capital and other long-term assets as well as long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter.

**Basis of Accounting**

The basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements and
- Notes to the basic financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the County. 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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* including depreciation expense are those that are clearly identifiable with a specific function or segment. The County does not allocate indirect expenses to other functions but is included in general government functions. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) 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 instead as *general revenues*.

Separate financial statements are provided for governmental funds, enterprise funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

**Basis of Accounting (Continued)**

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide 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, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

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

Governmental 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. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, generally are recorded when a liability is incurred, as under accrual accounting.

Fiduciary Fund Types (Agency funds) use the accrual basis of accounting. Agency funds are used to account for assets held as an agent for individuals, private organizations and other governments and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Exceptions to this general rule include: debt service expenditures which are recorded when fund liabilities are due and to compensated absences which are recorded only when payable from current available financial resources.

Those revenues susceptible to accrual are property taxes, gross receipts taxes, state shared taxes, investment income and charges for services. In accordance with GASB Statement 33, estimated property, that are not available are recorded as both accounts receivable and deferred revenue. Gross receipts and other intergovernmental taxes are not recorded as the amounts are not estimable. Grant revenues are recognized as revenues when the related costs are incurred. All other revenues are recognized when they are received and are not susceptible to accrual, because they

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

**Basis of Accounting (Continued)**

are usually not measurable until payment is actually received.

The County reports deferred revenue on its governmental fund and government wide balance sheets. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria methods are met or when the county has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Customer contributions owed to the Utilities Department for the extension of the water system to their property is recorded as revenue when the customer begins to receive water service. Customer contributions owed to the Utilities Department are recorded as notes receivable and deferred revenue if water service has not yet been extended to the customer. Mortgage receivables owed to Housing Services Fund when the homeowner purchased the property under the Home Sales program is not owed unless the homeowner sells or refinances the property. These mortgages represent the deferred profit from the sale of the property. Ten percent of the mortgage balance is reduced each year the homeowner owns the property. Deferred revenue is recorded until the homeowner sells the property and the mortgage receivable is paid off.

**Presentation of Funds**

The accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. The transactions of each fund are summarized in a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues, and expenses/expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistently with legal and managerial requirements. Governmental funds are reported as major funds in the accompanying financial statements if they meet both of the following criteria:

- *Ten percent criterion* – An individual governmental fund reports at least 10 percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures.
- *Five percent criterion* – An individual governmental fund reports at least 5 percent of the total for both governmental and enterprise funds of any of the items for which it met the 10 percent criterion.

The County reports the following major governmental funds:

*General Fund.* The General Fund is the general operating fund of the County. It is used to account for all financial activities except those required to be accounted for in other funds. It is funded primarily through property, gross receipts and other miscellaneous taxes.

*Capital Outlay Gross Receipts Tax Proceeds Fund.* This fund receives a ¼ cent gross receipt tax to be used for various capital projects.

*EMS and Health Care Fund.* The revenues and expenditures in the Emergency Service Fund (EMS) represent health and emergency services revenue, and associated health and emergency services. Revenues include the receipt of the full 1/8 cent Gross Receipt tax dedicated to emergency services and health services payments through a Memorandum

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

**Presentation of Funds (Continued)**

of understanding with St. Vincent's Hospital. The EMS and Health Care Fund was established by the Board of County Commissioners.

The County has the following other non-major funds that are listed on the following pages of this report. Non Major Special Revenue on pages 61 to 63, Non Major Debt Service on page 80 and Non Major Capital Project Funds on page 86.

The County has elected to have all of its enterprise funds be classified as major funds. The following are the major enterprise funds.

*Housing Services.* This fund is used to account for the funding and expense of the County's Public Housing Authority. Revenue for this fund is derived from housing rentals and Housing and Urban Development (HUD) grants and subsidies.

*Home Sales.* This fund is used to account for the construction and sales of housing to eligible buyers of affordable housing.

*Utilities Department.* This fund is used to account for the funding and expense of the Water and Wastewater utilities of Santa Fe County.

*Jail Facility.* This fund is used to account for the funding and expense of the County Jail and Juvenile Facility, through charges for care of prisoners from outside jurisdictions, Juvenile Facility building rental, and General Fund transfers.

*Regional Planning Authority.* This fund is used to account for the funding and expense of the Regional Planning Authority, created by agreement between the City of Santa Fe and Santa Fe County.

**Budgets**

Budgets are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). Appropriations of funds unused or overspent during the fiscal year may be carried over into the next fiscal year by budgeting those amounts in the subsequent year's budget. For the June 30, 2005 actual to budget comparisons, the actual amounts are reported on the budgetary basis, which is considered to differ from the modified accrual basis for governmental fund types and accrual basis for the enterprise funds.

Differences between the budgetary basis and GAAP include the following:

1. The budget includes encumbrances (unperformed contracts for goods or services). GAAP does not include encumbrances.
2. The budget does not include certain liabilities, receivables, and depreciation expense for enterprise funds. The GAAP basis financial statements do include these transactions.

Annual appropriated budgets are adopted for the general, special revenue, debt service, capital project and the enterprise funds. The Housing Services enterprise and special revenue budgets are also approved by HUD.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(1) Summary of Significant Accounting Policies (Continued)**

**Annual Budget**

Department heads and elected officials are required to complete budget request forms for each organizational unit. The Board of County Commissioners reviews the budget package and the amended budget is then adopted and approved by resolution. The Finance Department prepares the adopted budget for submission to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) by June 1, for interim approval. Before July 1, DFA grants interim approval of the budget. The County's final annual budget document, which incorporates any changes recommended by DFA/LGD is prepared and submitted to DFA/LGD by July 31. During September, the County's final annual budget is reviewed and certified by DFA/LGD.

After the annual budget is adopted, the following types of adjustments must be approved by the governing body through a resolution and submitted to DFA for review and approval:

- Budget increases
- Transfers of budget or cash between funds
- Budget decreases

Additionally, it is County policy to prepare an internal budget adjustment request form for the following:

- Transfer within organizational unit (between expenditure categories)
- Transfer between organization units (same department and same fund)

Organizational unit budgets are monitored by the Finance Department to ensure that DFA and County policy are being followed. Additionally, a mid-year budget review is conducted which may include a hearing with the County Manager, Finance Department staff, and department heads and elected officials. During the hearing, department goals and objectives and budget status are reviewed. This review may result in budget adjustments.

The legal level of budgetary control is the fund level. Expenditures may not legally exceed budgeted appropriations at the fund level except for the following funds, whose legal level of budgetary authority is at the program or district level:

Emergency Medical Services  
Fire Districts

The following funds were not budgeted in 2005:

Rancho Viejo Improvement District  
Federal Forfeitures Fund  
Home Sales

**Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is used for purchase orders, contracts, and other commitments for the expenditures of moneys to reserve that portion of the applicable appropriation, as an extension of formal budgetary integration. In Governmental Fund Types, encumbrances outstanding at year-end are reported as reservations of fund balances in governmental funds and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(1) Summary of Significant Accounting Policies (Continued)**

**Equity in Pooled Cash and Investments**

Equity in pooled cash and investments includes amounts in demand deposit accounts, money market accounts, certificates of deposit, U.S. Treasury securities, and repurchase agreements secured by collateral with a market value greater than 102% of the value of the agreement. The securities are held by a third party in the County's name. The market value of the repurchase agreements approximate cost at June 30, 2005. Interest earned is allocated to the applicable County funds based on the County's policy of allocating interest to those funds which are required by law or by debt covenants. The remaining interest income is recorded in the General Fund.

State statutes authorize the County to invest excess funds in United States bonds or treasury certificates, other instruments backed by the full faith and credit of the United States Government and other investments allowed by law. Money market investments with a remaining maturity of one year or less when purchased are stated at cost or amortized cost. U.S. Treasury Securities are accounted for at fair value in accordance with GASB 31.

The County adopted GASB Statement No. 40 "Deposit and Investment Risk Disclosures" for the year ended June 30, 2005 which had no financial statement effect but did require additional footnote disclosures related to deposits and investments.

**Statement of Cash Flows**

For purposes of reporting cash flows in proprietary funds, cash and cash equivalents include equity in pooled cash and all highly liquid investments with a maturity of three months or less when purchased.

**Property Taxes Receivable**

The County is responsible for assessing, collecting and distributing property taxes for its own operational and debt service purposes and certain outside entities. Unpaid property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable in two installments not later than December 10 and May 10. Collections and remittance of property taxes are accounted for in the County Treasurer's Agency Fund. Amounts are recognized as revenue in the applicable governmental fund types under accounting principles generally accepted in the United States. The property taxes receivable for the general fund and for the debt service in the governmental fund financial statements are net of an allowance for uncollectible.

**Due From/To Other Funds**

These receivables and payables between funds are classified as "due from other funds" or "due to other funds" on the government fund balance sheet. There are no interfund balances that are not expected to be repaid within one year. Balances between governmental activities and business-type activities are shown as internal balances in the government-wide financial statements.

**Restricted Assets**

Cash excluding most of the general fund is reflected as restricted. Certain proceeds from the County's bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Also the cash in the enterprise funds are limited to their specific uses. The tenant security deposits applicable to the rental of housing units by the Housing Services enterprise fund and other Housing Services, and special revenue cash from the Department of Housing and Urban Development is restricted for its purposes.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

**Capital Assets**

Capital assets, which include property, plant, equipment, and computer software are included in the equipment category, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. The County does not have internally developed software and has no capitalized library books. Major outlays for capital assets and improvements are capitalized as projects are constructed. Such assets, including infrastructure, have higher limits that must be met before they are capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Improvements other than buildings	25-40 years
Buildings and structures	40 years
Machinery and equipment	3-10 years
Furniture and fixtures	5 years
Infrastructure	25 years

The County elected in 2003 not to retroactively implement the capitalization of infrastructure assets. As a result, only the additions for the current year and since 2003 have been capitalized. The County plans to add infrastructure assets acquired in prior years by 2006.

The Utilities Department consists of engineering costs and other expenses to plan and to build a water system. Depreciation expense is recorded by the Utilities Department over the estimated 50 year life of the water system. The Utilities Department depreciates its office furniture, vehicles and other assets over their applicable estimated lives that range from 3 to 5 years. The Housing Services enterprise fund depreciates its fixed assets over the estimated useful lives of the assets as follows: buildings – 40 years, all other assets – 5 years. The Jail Facility is being depreciated over a 40 year life and depreciates its office furniture, vehicles and other assets over their applicable estimated lives that range from 3 to 5 years. Interest expense from the bonds issued to construct the jail was capitalized as part of the construction cost.

**Inventories and Assets held for Sale**

Inventory items such as general supplies and parts are expensed when purchased since inventories are not material to the June 30, 2005 financial statements. Assets held for sale represent low income housing units available for sale.

**Compensated Absences**

Amounts of vested or accumulated vacation leave for governmental fund types are reported in the government wide financial statements. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees, in accordance with the provisions of governmental accounting. No liability is recorded for nonvesting accumulating sick leave benefits that are estimated, will be taken as "terminal leave" prior to retirement, or converted to annual leave during continued employment.



STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

**Long-term Obligations**

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are recognized as a liability in the applicable governmental activities business type activities or proprietary fund type statement of net assets. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such external debt is reported in the government-wide financial statements. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds. The County had no short-term debt activity for the year.

**Fund Equity**

Reserves in governmental funds represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Reserved for subsequent years' expenditures - This represents the amounts, other than carryover expenditures, which are designated for subsequent year expenditures in accordance with grantor statutes.

This includes the amounts required by the New Mexico Department of Finance and Administration of budgeted expenditures reserved to maintain adequate cash flow. The County reserves at least 3/12 of total expenditures in the general fund and 1/12 in the Road fund.

Unreserved – Undesignated – This represents the excess of assets over liabilities of a governmental fund, which have not been reserved or designated for any purpose. These monies are available for unrestricted use by the County.

**Bond Discounts and Issuance Costs**

In governmental fund types, bond discounts and issuance costs are recognized in the period incurred. Bond discounts and issuance costs for proprietary funds and in the government-wide financial statements are deferred and amortized over the term of the bonds using the debt-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

**Interfund Transactions**

Interfund transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. These transactions are not eliminated in the government wide financial statements.

All other interfund transactions, except reimbursements, are reported as operations transfers. Contributions to the enterprise funds by the governmental funds of fixed assets are classified as non-operating revenue.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

**Totals (Memorandum Only) Columns**

Totals columns in the government fund financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation since interfund eliminations have not been made.

**Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of 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.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(2) Prior Period Adjustment**

The following prior period adjustment was recorded to the Developer Fees fund for mortgages funded by a developer as part of an affordable home sales program. These mortgages, which represent County assets were not previously recorded. The zero interest bearing mortgages are only paid off when the home is resold or refinanced. Since these assets do not represent available resources under modified accrual basis of accounting, deferred revenue is recorded in the Developer Fees fund. Full accrual accounting is used in the government wide financial statements.

The impact to the beginning net assets in the government-wide financial statements is as follows.

	<u>Governmental Activities</u>
As, previously reported	\$66,291,269
Net effect of the prior period restatement under full accrual accounting	<u>1,426,326</u>
Beginning net assets as adjusted	<u>\$67,717,595</u>

**(3) Pooled Cash and Investments**

The following is a summary of pooled cash and investments at June 30, 2005:

	<u>Government-Wide Statement of Net Assets</u>			<u>Fiduciary Fund Financial Statements</u>	
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Fiduciary Funds Statement of Net Assets</u>	
				<u>Total</u>	<u>Total</u>
Cash and Investments	<u>\$ 19,671,694</u>	<u>\$ -</u>	<u>\$ 19,671,694</u>	<u>\$ -</u>	<u>\$ 19,671,694</u>
Restricted Cash and Investments	<u>\$ 54,704,269</u>	<u>\$ 12,641,789</u>	<u>\$ 67,346,058</u>	<u>\$ 1,921,199</u>	<u>69,267,257</u>
<b>Total Cash and Investments</b>				<u>\$ 88,938,951</u>	

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The way that the County manages its exposure to interest rate risk is by investing in shorter term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Thus most of the investments mature within one year. Investments in certificates of deposits and other investments with maturities greater than one year but less than two years totaled \$1,940,000 at June 30, 2005.

The County follows the practice of pooling cash and investments of all funds, except for some of the debt service funds and certain other funds. Each fund's portion of total cash and investments is reflected in the balance sheet as equity in pooled cash and investments.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(3) Pooled Cash and Investments (Continued)**

Pooled cash and investments held by the County include cash on deposit with financial institutions, money market accounts, certificates of deposit, repurchase agreements, federal agencies, treasury notes and treasury bills and mutual funds invested in government securities. The County investments comply with State law. Deposits are secured by both federal depository insurance and collateral pledged in the County's name held by a third party. Under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. Market values of all cash, deposits and investments with a maturity of one year or less at the time of the purchase approximate the cost of those assets.

The County did not participate in any reverse repurchase agreements or security lending agreements during the current fiscal year. The County also has no deposits or investments exposed to foreign currency risk.

All of the County's investments are insured, registered and the County's agent holds the securities in the County's name, therefore the County is not exposed to custodial credit risk.

There were no investments in securities of any individual issuers, other than U.S. Treasury securities, mutual funds, local government investment pool that represent 5% or more of the total government-wide investments at June 30, 2005. The only funds that had investment securities that represented five percent of the total investments by individual funds were the Jail fund repurchase agreement of \$2,249,678 and the Sheriff's Facility Bond Reserve fund repurchase agreement of \$425,905.

The carrying amounts of the County's deposits at financial institutions as of June 30, 2005, were \$7,639,359 at June 30, 2005. Bank balances before reconciling items were \$10,201,288 at June 30, 2005. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be recovered. The County is exposed to custodial risk of \$4,125,519 due to deposits are collateralized in an amount not less than 50% of the uninsured balance.

Credit risk for investments is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by Standard and Poors, a nationally recognized statistical rating organization.

	<u>Credit Quality Ratings</u>	<u>Carrying Amount</u>
Petty cash and change funds	Not applicable	\$ 811
Total deposits	Not rated	7,639,359
Local government investment pool - invested by the State of New Mexico Office of the State Treasurer for the County, recorded at cost in accordance with GASB 31	Not rated	<u>74,330,511</u>
Cash held by NM Finance Authority which is on deposit with the State Treasurer	Not rated	43,003
Repurchase agreements	Not rated	2,675,583
Federal Agency Securities	AAA	1,000,000
U.S. Treasury bills	Not applicable	1,350,991
U.S. Treasury cash reserves mutual fund accounts	<u>Not applicable</u>	<u>1,898,693</u>
Total investments		<u>6,968,270</u>
Total – all County deposits and investments		<u>\$88,938,951</u>

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(3) Pooled Cash and Investments (Continued)**

Amounts per financial statements:	
Agency funds equity in pooled cash and investments	\$ 1,921,199
Governmental Funds equity in pooled cash and investment – unrestricted	19,671,694
Governmental Funds equity in pooled cash and investment – restricted	54,704,269
Enterprise Funds equity in pooled cash and investments	<u>12,641,789</u>
	<u>\$88,938,951</u>

The County's investments are held by agents of the County in the County's name. Repurchase agreements are collateralized in accordance with state law with securities issued by the U.S. Treasury or fully guaranteed as to payment by an agency of the U.S. government.

Market value is based on quoted market prices at year-end, costs approximate market value. Total investment income for the County for the year ended June 30, 2005 was \$1,852,782.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978 empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are 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 faiths 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.

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 contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

**(4) Interfund Assets and Liabilities**

The Interfund Assets and Liabilities reported in the governmental fund balance sheet consist of the following.

	<u>Receivables</u>	<u>Payables</u>
General	<u>\$ 827,631</u>	<u>\$ -</u>
Non Major Special Revenue Funds:		
CFP Program	-	91,976
Total Special Revenue Funds	<u>-</u>	<u>91,976</u>
Debt Service Funds:		
Fire Tax Revenue Bonds	<u>5,719</u>	<u>-</u>
Total Revenue Bonds	<u>5,719</u>	<u>-</u>

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(4) Interfund Assets and Liabilities (Continued)**

	<u>Receivables</u>	<u>Payables</u>
Non Major Capital Projects Funds:		
Road Projects	-	510,861
State Special Appropriations	-	156,960
Community Development Block Grants (CDBG)	-	67,834
Bond Proceeds – Fire Tax	-	5,719
Total Capital Projects Funds	<u>-</u>	<u>741,374</u>
 Total County	 <u>\$ 833,350</u>	 <u>\$ 833,350</u>

All of the interfund receivables and payables are between the general fund and the other funds except for the \$5,719 interfund balance between the Fire Tax Revenue Bonds and Bond Proceeds – Fire Tax Funds.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(4) Interfund Assets and Liabilities (Continued)**

Interfund Transactions

The County records transfers to fund the operations and projects of other funds to provide debt service and as otherwise needed and required.

Transfers in (from other funds)	Transfers out (to other funds)	Major Funds							Total		
		General	EMS and Health Care	Capital Outlay GRT	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority		Home Sales	Other Non-Major Governmental
General	\$ 7,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,414,599	\$ 100,000	\$ -	\$ 1,777,777	\$ 10,300,316
EMS and Health Care	-	-	-	-	-	-	-	-	-	36,500	36,500
Capital Outlay GRT	-	-	-	-	-	-	-	-	-	225,058	225,058
Housing Services	-	-	-	-	-	-	-	-	-	-	-
Utilities Department	-	-	-	-	-	-	-	-	-	-	-
Jail Facility	-	-	-	-	-	-	-	-	-	-	-
Regional Planning Authority	-	-	-	-	-	-	-	-	-	-	-
Home Sales	-	-	-	-	-	-	-	-	-	-	-
Other Non-Major Governmental	1,060,118	-	-	443,099	176,382	1,128,540	-	-	-	1,146,517	3,954,656
<b>Total</b>	<b>\$ 1,068,058</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 443,099</b>	<b>\$ 176,382</b>	<b>\$ 9,543,139</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,185,852</b>	<b>\$ 14,516,530</b>

Significant transfers from the General Fund included transfers for the purpose to operate the Jail Facility and \$1,074,757 to the Road Fund for road maintenance and for debt service payments of \$703,026. Other significant transfers from Non-Major Governmental Funds were primarily \$828,540 for the Jail Facility from Correctional Gross Receipts Tax Fund and \$930,553 from the Fire Fund to the Fire Impact fees for fire operations.

In addition, for the government wide financial statements \$3,258,081 capital assets contributed to the business type funds are included as transfers in the statement of activities total of \$13,520,701.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(5) Capital Assets**

The changes in Capital Assets for the year ended June 30, 2005 are as follows:

	June 30, 2004			June 30, 2005
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Land	\$ 16,034,453	\$ 1,372,787	\$ -	\$ 17,407,240
Assets being depreciated				
Buildings and improvements	31,242,979	419,340	-	31,662,319
Infrastructure	2,958,804	1,832,741	-	4,791,545
Equipment and vehicles	32,008,435	2,679,351	(414,561)	34,273,225
Furniture and fixtures	642,042	27,431	-	669,473
	<u>82,886,713</u>	<u>6,331,650</u>	<u>(414,561)</u>	<u>88,803,802</u>
Accumulated depreciation				
Buildings and improvements	(15,968,886)	(791,558)	-	(16,760,444)
Infrastructure	(213,230)	(191,661)	-	(404,891)
Equipment and vehicles	(24,192,921)	(6,854,645)	390,083	(30,657,483)
Furniture and fixtures	(730,019)	(133,895)	-	(863,914)
Total accumulated depreciation	<u>(41,105,056)</u>	<u>(7,971,759)</u>	<u>390,083</u>	<u>(48,686,732)</u>
	<u>\$ 41,781,657</u>	<u>\$(1,640,109)</u>	<u>\$ (24,478)</u>	<u>\$ 40,117,070</u>

Depreciation expense was charged to the following functions of the County:

Governmental activities	
General government	\$ 3,312,266
Public Safety	2,511,104
Health and Welfare	434,461
Culture and recreation	62,180
Highways and streets	<u>1,651,748</u>
Total depreciation expense	<u>\$ 7,971,759</u>



**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(5) Capital Assets (Continued)**

The following is a summary of proprietary funds capital assets at June 30, 2005:

	June 30, 2004			June 30, 2005
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Housing Services				
Land	\$ 637,285	\$ -	\$ -	\$ 637,285
Assets being depreciated				
Equipment and vehicles	354,277	48,383	-	402,660
Buildings and improvements	6,682,214	-	-	6,682,214
	<u>7,673,776</u>	<u>48,383</u>	<u>-</u>	<u>7,722,159</u>
Less: Accumulated depreciation				
Equipment and vehicles	(277,090)	(80,532)	-	(357,622)
Buildings and improvements	(3,047,676)	(167,055)	-	(3,214,731)
Total accumulated depreciation	<u>(3,324,766)</u>	<u>(247,587)</u>	<u>-</u>	<u>(3,572,353)</u>
Net fixed assets	<u>\$ 4,349,010</u>	<u>\$ (199,204)</u>	<u>\$ -</u>	<u>\$ 4,149,806</u>
Utilities Department				
Water system	\$ 6,958,585	\$ 113,538	\$ -	\$ 7,072,123
Office equipment, furniture and vehicle	257,545	139,876	-	397,421
	<u>7,216,130</u>	<u>253,414</u>	<u>-</u>	<u>7,469,544</u>
Less: Accumulated depreciation				
Water system				
Office equipment, furniture and vehicle	(1,102,176)	(141,442)	-	(1,243,618)
	<u>(3,261)</u>	<u>(69,452)</u>	<u>-</u>	<u>(72,713)</u>
Total accumulated depreciation	<u>(1,105,437)</u>	<u>(210,894)</u>	<u>-</u>	<u>(1,316,331)</u>
Net fixed assets	<u>\$ 6,110,693</u>	<u>\$ 42,520</u>	<u>\$ -</u>	<u>\$ 6,153,213</u>
Jail Facility				
Land	\$ 126,781	\$ -	\$ -	\$ 126,781
Assets being depreciated				
Jail facility	26,553,457	647,238	-	27,200,695
Office equipment and furniture	1,036,631	116,620	-	1,153,251
Vehicles	253,674	40,438	(22,366)	271,746
	<u>27,970,543</u>	<u>804,296</u>	<u>(22,366)</u>	<u>28,752,473</u>
Less: Accumulated depreciation				
Jail facility	(4,057,482)	(680,017)	-	(4,737,499)
Office equipment and furniture	(376,266)	(171,715)	-	(547,981)
Vehicles	(140,227)	(54,349)	22,366	(172,210)
Total accumulated depreciation	<u>(4,573,975)</u>	<u>(906,081)</u>	<u>22,366</u>	<u>(5,457,690)</u>
Net fixed assets	<u>\$ 23,396,568</u>	<u>\$ (101,785)</u>	<u>\$ -</u>	<u>\$ 23,294,783</u>

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(5) Capital Assets (Continued)**

	June 30, 2004			June 30, 2005	
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	
Regional Planning Authority					
Equipment and machinery	\$ 13,466	\$ -	\$ -	\$ 13,466	
Less: Accumulated depreciation					
Equipment and machinery	(4,330)	(2,693)	-	(7,023)	
Total accumulated depreciation	<u>(4,330)</u>	<u>(2,693)</u>	<u>-</u>	<u>(7,023)</u>	
Net fixed assets	<u>\$ 9,136</u>	<u>\$ (2,693)</u>	<u>\$ -</u>	<u>\$ 6,443</u>	

Depreciation expense was \$247,587 for Housing Services, \$210,894 for the Utilities Department, \$906,081 for the Jail Facility and \$2,693 for the Regional Planning Authority for the year ended June 30, 2005, respectively.

**(6) Long-Term Obligations**

The following is a summary of long-term obligations of the County for the year ended June 30, 2005:

	June 30, 2004			June 30, 2005		Due within
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>		<u>one year</u>
Governmental Activities						
General obligation and gross						
receipts bonds	\$ 46,113,998	\$ -	\$ (2,405,000)	\$ 43,708,998		\$ 2,520,000
Landfill closure and postclosure						
care costs	1,023,670	1,065,315	(32,670)	2,056,315		-
Capital lease obligations	227,010	-	(81,842)	145,168		23,683
Compensated absences	1,623,144	1,628,052	(1,444,598)	1,806,598		1,806,598
Bonds payable issued via NMFA	536,554	-	(344,546)	192,008		192,008
Component Unit - Rancho Viejo						
Improvement District	<u>1,875,000</u>	<u>-</u>	<u>(30,000)</u>	<u>1,845,000</u>		<u>30,000</u>
Total County	<u>\$ 51,399,376</u>	<u>\$ 2,693,367</u>	<u>\$ (4,338,656)</u>	<u>\$ 49,754,087</u>		<u>\$ 4,572,289</u>

The governmental funds, primarily the general fund, has paid for compensated absences for the year ended June 30, 2005.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(6) Long-Term Obligations (Continued)**

Business Type	June 30, 2004			June 30, 2005	
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>Due within one year</u>
HUD notes payable	\$ 5,268,029	\$ -	\$ (99,617)	\$ 5,168,412	\$ 106,470
HUD interest payable	4,933,818	256,148	-	5,189,966	-
Jail facility	28,110,000	-	(365,000)	27,745,000	700,000
	<u>\$ 38,311,847</u>	<u>\$ 256,148</u>	<u>\$ (464,617)</u>	<u>\$ 38,103,378</u>	<u>\$ 806,470</u>

General obligation and gross receipts bonds consist of the following issues:

Proceeds from prior years' general obligation bonds have been used for capital projects, open space, refunding, road improvements and a regional landfill and are payable from the County's collection of property taxes. Debt service payments are made by the debt service funds.

Date Issued	Interest Rate	Final Maturity Date	Original Bond Amount	June 30, 2005 Balance	Due within one year
February 1, 1997	5.0-7.5%	2016	\$ 10,500,000	\$ 8,980,000	\$ 300,000
February 1, 1997	4.1-5.7%	2027	6,000,000	5,225,000	135,000
June 15, 1999	4.5-7.0%	2018	12,000,000	11,820,000	-
June 15, 1999	3.7-4.4%	2007	4,310,000	2,020,000	675,000
May 1, 2001	4.4-5.5%	2018	8,500,000	7,310,000	575,000
November 1, 2001	4.0-4.625%	2017	8,000,000	6,795,000	440,000
June 13, 2003	1.18-2.80%	2008	2,293,998	1,558,998	395,000
			<u>\$ 51,603,998</u>	<u>\$ 43,708,998</u>	<u>\$ 2,520,000</u>

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(6) Long-Term Obligations (Continued)**

The bonds issued through the New Mexico Finance Authority (NMFA) consist of the following issues:

Date Issued	Interest Rate	Final Maturity Date	Original Bond Amount	June 30, 2005 Balance	Due within one year
November 1, 2001	3.02-3.62%	2006	\$ 833,333	\$ 192,008	\$ 192,008
November 1, 2001	3.02-3.5%	2005	565,556	-	-
			<u>\$ 1,398,889</u>	<u>\$ 192,008</u>	<u>\$ 192,008</u>

The NMFA bond issues are secured by a portion of the County's state fire protection revenue.

Scheduled maturities of general obligation, gross receipts and bonds payable issued through the NMFA are as follows for the years subsequent to June 30, 2005:

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 2,712,008	\$ 2,080,633
2007	2,630,000	1,962,145
2008	3,205,000	1,849,243
2009	3,098,998	1,711,858
2010	3,050,000	1,578,782
2011-2015	16,635,000	5,618,002
2016-2020	10,210,000	1,787,112
2021-2025	1,585,000	528,900
2026-2027	775,000	70,500
	<u>\$ 43,901,006</u>	<u>\$ 17,187,175</u>

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(6) Long-Term Obligations (Continued)**

Capitalized Lease Obligations

The County is obligated under the following leases accounted for on capital leases:

State Board of Finance, payable annually at \$5,350, Interest free. Secured by voting machines with final payment due December 2013	\$ 32,100
State Board of Finance, payable annually at \$7,133, Interest free. Secured by voting machines with final payment due December 2012	57,068
State Board of Finance, payable annually at \$11,200, Interest fee. Secured by voting machines with final payment due December 2009	<u>56,000</u>
	<u><u>\$ 145,168</u></u>

Year Ending

2006	\$ 23,683
2007	23,683
2008	23,683
2009	23,683
2010	23,683
2011-2014	<u>26,753</u>
	<u><u>\$ 145,168</u></u>

Payments of principal and interest to the State Board of Finance were paid from the general fund and recorded as government service expenditures in the general fund governmental financial statements.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(6) Long-Term Obligations (Continued)**

**Landfill Closure and Postclosure Care Cost**

The County follows GASB Statement No. 18, which requires that the current cost of landfill closure and postclosure care be recognized over the estimated life of the landfill.

State and federal laws and regulations require the County to place a final cover on the County-operated landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be incurred after the date the landfill stops accepting waste, the County reports these closure and postclosure care costs as a liability as of each balance sheet date. The County closed the landfill during fiscal year 1997. The \$2,056,315 reported as landfill closure and postclosure care liability at June 30, 2005 represents managements' estimate based on an expert hired to estimate the costs for standard monitoring and compliance to 2027. An additional \$1,065,315 has been accrued for these costs in 2005. Annual ground water monitoring has demonstrated the County is not in compliance with ground water contamination. The County is now required to perform additional monitoring of the ground water. The County estimates it will expend approximately \$75,000 for postclosure costs in the next fiscal year and will be funded by general fund revenues. Current year expenditures of \$32,670 were paid by the General Fund. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal 2005. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

**Compensated Absences**

A long-term liability amounting to \$1,806,598 at June 30, 2005 has been recorded representing the County's commitment to fund compensated absences from future operations. Vacation, compensating time and sick leave earned is cumulative; however, vacation time is limited to 240 hours that can be carried forward to the next calendar year. Excess time up to eighty hours can be sold back to the County if sufficient funding is available every January. Sick leave accumulated in excess of 240 hours is payable to employees at a rate equal to 50 percent of their hourly rate upon retirement. Employees can earn a maximum of 45 hours of compensatory time.

**Prior Year Defeasance of Debt**

In prior years, the County defeased the 1990 Facilities Project Revenue Bonds by placing proceeds in an irrevocable trust to provide for all future debt service payments for these bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On June 30, 2005, \$3,523,000 of bonds outstanding are considered defeased.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(6) Long-Term Obligations (Continued)**

**Rancho Viejo Improvement District Bonds**

The County issued \$1,950,000 of 7.25% Rancho Viejo Improvement District Bonds during the 2000 fiscal year to provide assistance in the development of land within Rancho Viejo Improvement District (District). These bonds are secured by a ten dollar per one thousand dollars of net taxable value within the District.

Proceeds were used for the water system and roads which had been donated to the County. Any remaining funds from the assessments from the property owners revert to the County after the debt is paid off. Effective July 1, 2003 because of the implementation of GASB 39, the District is a component unit of the County and the debt service activity and corresponding debt is included in the County's financial statements. The following is the debt service requirement for these bonds.

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2006	\$ 30,000	\$ 133,762	\$ 163,762
2007	35,000	131,587	166,587
2008	35,000	129,050	164,050
2009	40,000	126,512	166,512
2010	40,000	123,612	163,612
2011-2015	250,000	569,487	819,487
2016-2020	350,000	465,812	815,812
2021-2025	505,000	318,275	823,275
2026-2029	560,000	105,125	665,125
	<u>\$ 1,845,000</u>	<u>\$ 2,103,222</u>	<u>\$ 3,948,222</u>

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(6) Long-Term Obligations (Continued)**

Notes Payable - (Housing Services Enterprise Fund)

The Housing Services Enterprise Fund has the following notes payable due to the Department of Housing and Urban Development (HUD). The long-term debt at June 30, 2005 was as follows:

Notes payable issued on December 10, 1982 for \$2,677,358 at 6.6% interest. Annual payments of \$201,717 due on November 1 with a maturity date of November 1, 2014. Payments of principal and interest are made by or forgiven by HUD on the Housing Authority's behalf	\$1,443,138
Other notes payable to HUD at various interest rates and terms	<u>3,725,274</u>
Total long-term debt	5,168,412
Less: current portion	<u>106,470</u>
Total long-term portion	<u>\$5,061,942</u>

No payments are being made on the other notes payable to HUD. The remaining debt and related interest is expected to be forgiven by HUD in the future.

The aggregate maturities of the Housing Services long-term debt at June 30, 2005 are as follows:

<u>Years Ending</u>	<u>Principal Amount Payable</u>
2006	\$ 106,470
2007	113,497
2008	121,011
2009	129,020
2010	137,029
2011-2015	145,038
2016-Thereafter	<u>4,416,347</u>
Total	<u>\$ 5,168,412</u>

Correctional System Revenue Bonds (Jail Facility Enterprise Fund)

During February 1997, the County issued \$30,000,000 of Correctional System Revenue Bonds. The County has used a substantial portion of the proceeds to construct a new adult detention facility in Santa Fe County. A portion of the proceeds may also be used to renovate the existing County detention facility into a juvenile facility. At June 30, 2005 interest rates range from 4.7% to 6.0%. The bonds are secured by the jail facility and income derived from the jail facility.



**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(6) Long-Term Obligations (Continued)**

The maturities of the jail facility's long-term debt at June 30, 2005, is as follows:

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 700,000	\$ 1,544,890	\$ 2,244,890
2007	735,000	1,511,290	2,246,290
2008	775,000	1,474,540	2,249,540
2009	810,000	1,435,790	2,245,790
2010	850,000	1,394,480	2,244,480
2011-2015	4,970,000	6,266,320	11,236,320
2016-2020	6,360,000	4,873,450	11,233,450
2021-2025	8,425,000	2,811,000	11,236,000
2026-2029	4,120,000	374,400	4,494,400
	<u>\$ 27,745,000</u>	<u>\$ 21,686,160</u>	<u>\$ 49,431,160</u>

**Conduit Debt Obligations**

The County has issued Project Revenue Bonds to provide assistance for the El Castillo Retirement Residences Project. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. The County is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2005, there were two series of Project Revenue Bonds outstanding, with an aggregate principal amount payable of \$15,025,000.

The County has issued \$3,000,000 multi-family Housing Revenue Bonds in August 1998 to provide assistance for the construction of the Villa Grande Apartments. The bonds are secured by the revenues and mortgage of the property. The County is not obligated in any manner for repayment of these bonds. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. At June 30, 2005 the amount of bonds outstanding were \$3,000,000.

Total conduit debt outstanding at June 30, 2005 was \$18,025,000.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(7) GAAP Basis to Budget Basis Reconciliation**

The following is a reconciliation for the governmental funds GAAP basis financial statement information to Non GAAP budgetary basis:

	<u>Major Funds</u>			Non Major Special <u>Revenue</u>	Non Major Debt <u>Service</u>	Non Major Capital <u>Projects</u>
	<u>General</u>	<u>EMS and Health Care</u>	<u>Capital Outlay Gross Receipts Tax</u>			
<u>GAAP basis revenues</u>	\$38,584,539	\$ 8,137,547	\$ 8,560,592	\$ 16,206,411	\$ 5,324,906	\$2,359,648
Adjustments:						
Entries to reverse prior year accruals	908,034	1,014,506	1,513,639	2,550,167	200,496	2,829,339
Entries to record current year accruals	(336,511)	(1,218,548)	(1,511,365)	(2,281,894)	(71,588)	(2,337,065)
Rancho Viejo improvement district not budgeted	-	-	-	-	(252,176)	-
Budgetary basis revenues	<u>\$39,156,062</u>	<u>\$ 7,933,505</u>	<u>\$ 8,562,866</u>	<u>\$ 16,474,684</u>	<u>\$ 5,201,638</u>	<u>\$2,851,922</u>
<u>GAAP basis expenditures</u>	\$28,396,884	\$ 8,002,968	\$ 1,694,397	\$ 14,320,234	\$ 5,118,449	\$3,596,077
Adjustments:						
Current year encumbrances outstanding, net of accounts payable	1,915,499	789,790	907,652	1,897,063	-	982,597
Other audit entries	(18,807)	88,647	-	23,821	-	975
Rancho Viejo improvement district not budgeted	-	-	-	-	(161,844)	-
Budgetary basis expenditures	<u>\$30,293,576</u>	<u>\$ 8,881,405</u>	<u>\$ 2,602,049</u>	<u>\$ 16,241,118</u>	<u>\$ 4,956,605</u>	<u>\$4,579,649</u>

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(8) Retirement, Health and Deferred Compensation Plans

PERA Retirement Plan

Substantially all of the County'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 multiple-employer defined benefit retirement plan. The plan provides for 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. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

Covered employees are required under the current plan to contribute 3.2875% of their gross salary for general member coverage in accordance with Municipal Division - General Coverage Plan 3, and 3.09% for police member coverage in accordance with Police Coverage Plan 4. The County is required by state statute to contribute the following percentages in accordance with the respective plans above: 19.0125% for general member coverage, and 27.76% for police member coverage. The contribution requirements may be amended by acts of the legislature.

The County contribution requirements for the years ended June 30, 2005, 2004 and 2003 were \$4,114,267, \$3,789,224, and \$2,982,751 respectively. The contributions were the required amounts from the County and employees.

Retiree Health Care Act Contributions

The Retiree Health Care Act (10-7C-1 to 10-7C-16 NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and by co-payments or out-of-pocket payments of eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers are institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority and state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Educational Volunteer Retirement Act, the Magistrate Retirement Act, or the Public Employees Retirement Act.

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 Retiree Health Care Act on the person's behalf unless that person retires on or before July 1, 1995, in which event the time period required for employee and employer contributions shall become the period of time between July 1, 1990 and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

Each participating employer makes contributions to the fund in the amount of 1.30 percent of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution in an amount equal to 0.65 of one percent of the employee's annual salary. Each participating retiree pays a monthly premium for the basic single plan and an additional participation fee of five dollars (\$5) if eligible participant retired prior to July 1, 1990 and made no contributions to the plan. Participants may also enroll in optional plans of coverage.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(8) Retirement, Health and Deferred Compensation Plans (Continued)**

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee and retiree) and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, Albuquerque State Government Center, 401 Roma NW Suite 200, Albuquerque, New Mexico 87502.

For the fiscal year ended June 30, 2005, the County remitted \$236,599 in employer contributions and \$118,299 in employee contributions to the Retiree Health Care Authority.

**(9) Fund Balance and Net Assets (Deficits)**

The following funds had fund balance deficits at June 30, 2005:

Enterprise Funds

The Housing Services enterprise fund has a net assets deficit of \$(4,296,121) at June 30, 2005. The deficit is mainly a result of recording depreciation expense and accruing interest expense on notes payable balances which management believes the Department of Housing and Urban Development will forgive. The CFP program has a fund balance deficit of \$(56,385) which will be funded by the General Fund in the next fiscal year.

The unreserved, undesignated fund balance (deficit) is the component of fund balances that represents the portion of the encumbrances which have not been billed to the applicable funding source.

**(10) Applicable Segment Information**

Housing Services - Accounts receivable

The aging of accounts receivable as of June 30, 2005 is as follows:

Current (0-60 days)	\$ 56,701
Past due (more than 61 days)	<u>151,818</u>
	208,519
Less allowance for uncollectible accounts	<u>128,435</u>
	<u>\$ 80,084</u>

Housing Services has \$53,421 in tenant deposits that are deposited in Housing Services general cash account. Housing Services has \$120,285 in Family Self Services Escrow deposits that are deposited in a separate bank account at First State Bank and are accounted for in the Section Eight special revenue fund and the liabilities are included in deposits held for others.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(11) Commitments and Contingencies**

The County receives funds from federal and state agencies. These funds are subject to audit and adjustment to the granting agency. Any disallowed amounts resulting from these audits would be required to be refunded. The County believes that the amounts, if any, that would be refunded would not have a material effect on the County's financial position at June 30, 2005.

**Joint Powers Agreements**

Santa Fe Solid Waste Management Agency – Under authorization of the New Mexico State Statute 11-1-1, the County of Santa Fe joined the City 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 County and City citizens.

The County and the City established the Santa Fe Solid Waste Management Agency (Agency) through a Joint Powers Agreement in February 1995, as a public entity separate from the County or the City. The agreement delegated to the Agency the power to plan for, operate, construct, maintain, repair, replace, or expand the facility. The County Commission and the City Council approve the annual budget. The Agency has the authority to adopt revenue bond ordinances so long as such an ordinance is duly ratified by the governing bodies of the County and the City. A five member staff advisory committee was established by the agreement and is comprised of the finance directors from the County and the City, the County public works department director, the City utilities department director and the Agency director. A five member citizens advisory committee was also established. The Agency is charged to comply with all laws, rules and regulations for operations under the permit issued from the New Mexico Environment Department. The Board of Directors for the Agency consists of four members who are appointed by the Board of County Commissioners and four members who are appointed by the City Mayor with the approval of the City Council. The Board meets at least quarterly.

The start-up costs, design, land acquisition and construction were funded by equal contributions from the County and City. The contributions and commitments from each entity to date is approximately \$5.8 million. The County did not contribute any funds to the Agency in the 2005 fiscal year. A final reconciliation has been done to ensure costs have been split equally between the County and City. The facility opened in May of 1997.

The facility is to be self-supporting for operations, equipment, future construction, debt service, accumulation of a reserve fund and all other costs through fees charged to the County, the City, and other private users. The land for the facility was purchased by the County and transferred to the Agency. The facility itself belongs to the Agency. The Agency has adopted its rate ordinance for use of the facility. If, for any reason, revenues are insufficient to pay costs of operations, the Agency Board must notify the County and City in order to negotiate steps that are reasonable and prudent in light of existing circumstances to ensure that any deficits accumulated or incurred by the Agency are not allowed to impair the operation, integrity or credit worthiness of the Agency. A bond issue was authorized in December 1996, by the Agency in the amount of \$6,260,000 to provide funds for the equipment required for the facility and the construction of the second landfill cell.

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

Closure of the facility must be approved by the governing bodies of the County and City. Upon closure and sale of the facility, any proceeds remaining after settling all obligations will be split equally between the County and City.

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Notes to Financial Statements (Continued)

**(11) Commitments and Contingencies (Continued)**

Regional Emergency Communications Center District – Under the authorization of the New Mexico State Statute 11-1-1 through 11-1-7 and pursuant to the New Mexico Enhanced 911 Act 63-9D-41, the County and the City of Santa Fe have jointly undertaken their powers to operate and manage the Regional Emergency Communications Center District (RECC) to provide a more efficient and cost-effective method of providing centralized emergency enhanced 911 dispatch services to the region. The RECC was established as of July 1, 2002 as a public entity separate from the city or county. The Board of Directors consist of the City Manger, the City Police Chief, the City Fire chief, the County Manager, the County Sheriff, the County Fire Chief, and one member appointed by the City and County Managers to represent the community at-large. The operations physically lease space in a County facility. The salaries for the Director, the IIT Manager, and the initial equipment are shared equally by the City and County. The City provides funding for 69% of the expenses and the County provides 31%, an allocation which is reviewed annually to be based on the number of calls received from each jurisdiction. Current year fiscal costs were \$972,842.

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

The City of Santa Fe and County have established a joint powers agreement for the Buckman Direct Diversion (BDD) water project. The BDD, estimated at \$120 million, will be the largest, single capital project for which the two local governments to address meeting the current and future needs of an adequate water supply within the area. The Buckman Surface Diversion will provide full access to the San Juan/Chama water rights and/or other native Rio Grande water rights currently held by the City and County. The proposed system will route Rio Grande surface water directly from the river through a conveyance system to a new water treatment facility where water will be conveyed to the various users. Costs incurred to date have been recorded to the Utilities Department enterprise fund as additions to water rights and the water system. Current fiscal year costs capitalized were \$1,653,556.

Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. The County belongs to the New Mexico County Insurance Authority (NMCIA), a public entity risk pool currently operating as a common risk management and insurance program for its member counties. The County pays an annual premium to NMCIA for all of its general and workers' compensation insurance coverage. The agreement for formation of the NMCIA provides that NMCIA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of amounts that range from \$150,000 for property to \$300,000 for other liability claims.

Legal Proceedings

The County is subject to various legal proceedings which arise in the ordinary course of the County's operations. In the opinion of the County's management, the ultimate resolution of the matters will not have a material adverse impact on the financial position or results of operations of the County.

Arbitrage Rebate

The County has determined that it is probable it will owe an arbitrage rebate to the Internal Revenue Service (IRS) on the excess interest income earned on the February 1, 1997 Bond Issues. The amount owed to the IRS has not been determined as of June 30, 2005. The County believes the amount will not have a material impact on the financial position or operations of the County.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(11) Commitments and Contingencies (Continued)**

**Operating Leases**

The County leases land and various equipment under operating leases. Leases are subject to future appropriation and as such cancelable by the County at the end of a fiscal year. Rental expense for the year ended June 30, 2005 was approximately \$190,000.

The future minimum lease payments under operating leases for the County is as follows:

Years ending June 30,

2006	\$ 186,076
2007	203,291
2008	191,943
2009	195,171
2010	59,673
2011-2015	385,055
2016-2020	489,374
2021-2025	407,079
2026-2030	69,805
	<hr/>
	<u>\$ 2,187,467</u>

**(12) Accounting Standard Pronouncements**

In November 2003, GASB issued Statement 42 "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" which is effective for the County's fiscal year ending June 30, 2006. The effect on the County is how a capital asset impairment will be measured, reported and disclosed in the financial statements and the accounting for any insurance recovery.

In April 2004, GASB issued Statement 43 "Financial Reporting for Post Employment Plans other than Pension Plans and in June 2004, which is effective for the County's fiscal year ending June 30, 2008. GASB issued Statement 45 "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions" which is effective for the County's fiscal year ending June 30, 2009. The County has not assessed the future impact on its financial statements due to these GASB pronouncements.

GASB has issued Statement No. 46 "Net Assets Restricted by Enabling Legislation and amendment of GASB Statement No. 34", which is effective for the County's fiscal year ending June 30, 2006. This Statement is meant to improve the comparability of net asset information by clarifying the criteria for net asset restrictions related to enabling legislation. The County has not fully assessed the future impact on its financial statements of implementation this pronouncement.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Financial Statements (Continued)**

**(13) Subsequent Event**

On August 18, 2005, the County issued \$8,490,000 of General Obligation Refund Bonds Series 2005 to defease the remaining \$8,380,000 outstanding 1997 series bonds. The Series 2005 bonds interest rates range from 3.25% to 5.00% with the Bonds maturing July 1, 2006 through July 1, 2016. The proceeds of the Bonds were deposited to an escrow fund to pay the debt service from the remaining debt service for the 1997 issue. The County estimated the present value savings of approximately \$560,000 will be realized from this refunding.

The County also plans to issue up to \$20 million in bonds during the next fiscal year.



STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit A-1

Combining Balance Sheet

Non Major Governmental Funds

June 30, 2005

ASSETS	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Equity in pooled cash investments - Restricted	\$ 16,122,159	\$ 5,588,645	\$ 12,485,809	\$ 34,196,613
Equity in pooled cash investments - Unrestricted	-	-	-	-
Receivables, net of allowance for uncollectibles:				
Taxes	1,953,469	413,692	311,027	2,678,188
Interest	-	12,207	26,447	38,654
Grantor agencies and other	321,782	-	2,031,328	2,353,110
Mortgages	4,308,786	-	-	4,308,786
Due from other funds	-	5,719	-	5,719
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets and other debits	<u>\$ 22,706,196</u>	<u>\$ 6,020,263</u>	<u>\$ 14,854,611</u>	<u>\$ 43,581,070</u>
LIABILITIES & FUND BALANCES				
<b>Liabilities:</b>				
Accounts payable and accrued expenditures	\$ 632,342	\$ -	\$ 99,647	\$ 731,989
Due to other funds	91,976	-	741,374	833,350
Deferred income	4,308,786	386,126	-	4,694,912
Deposits held for others	120,285	-	-	120,285
Total	<u>5,153,389</u>	<u>386,126</u>	<u>841,021</u>	<u>6,380,536</u>
<b>Fund Balance</b>				
Reserved for:				
Encumbrances	1,855,555	-	995,661	2,851,216
Debt service	-	5,634,137	-	5,634,137
Total reserved fund equity	<u>1,855,555</u>	<u>5,634,137</u>	<u>995,661</u>	<u>8,485,353</u>
Unreserved - Designated for:				
Subsequent year expenditures by grant or law	15,697,252	-	-	15,697,252
Capital improvements	-	-	12,992,929	12,992,929
Unreserved - Undesignated	-	-	25,000	25,000
Total unreserved fund balances	<u>15,697,252</u>	<u>-</u>	<u>13,017,929</u>	<u>28,715,181</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>17,552,807</u>	<u>5,634,137</u>	<u>14,013,590</u>	<u>37,200,534</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities, fund equity	<u>\$ 22,706,196</u>	<u>\$ 6,020,263</u>	<u>\$ 14,854,611</u>	<u>\$ 43,581,070</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit A-2

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non Major Funds**

**Year Ended June 30, 2005**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues				
Grants	\$ 3,154,926	\$ -	\$ 1,806,781	\$ 4,961,707
Taxes and special assessments	9,727,365	5,289,547	84,137	15,101,049
Interest earnings	38,673	35,359	319,669	393,701
Charges for services, fines and penalties	3,126,356	-	-	3,126,356
Other	159,229	-	149,061	308,290
Total revenues	<u>16,206,549</u>	<u>5,324,906</u>	<u>2,359,648</u>	<u>23,891,103</u>
Expenditures - Current				
General government services	736,541	6,429	-	742,970
Public safety	2,671,158	-	-	2,671,158
Highways and streets	2,444,861	-	-	2,444,861
Health and welfare	8,110,943	-	-	8,110,943
Culture and recreation	67,111	-	-	67,111
Economic development	289,758	-	-	289,758
Capital outlay	-	-	3,596,077	3,596,077
Debt service (principal and interest)	-	5,112,020	-	5,112,020
Total expenditures	<u>14,320,372</u>	<u>5,118,449</u>	<u>3,596,077</u>	<u>23,034,898</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,886,177</u>	<u>206,457</u>	<u>(1,236,429)</u>	<u>856,205</u>
Other Financing Sources (Uses)				
Operating transfers, in	2,021,824	902,470	261,558	3,185,852
Operating transfers, out	(2,565,982)	(713,000)	(675,674)	(3,954,656)
Total other financing sources (uses)	<u>(544,158)</u>	<u>189,470</u>	<u>(414,116)</u>	<u>(768,804)</u>
Net changes in fund balances	<u>1,342,019</u>	<u>395,927</u>	<u>(1,650,545)</u>	<u>87,401</u>
Fund balance, beginning of year	<u>16,210,788</u>	<u>5,238,210</u>	<u>15,664,135</u>	<u>37,113,133</u>
Fund balance end of year	<u>\$ 17,552,807</u>	<u>\$ 5,634,137</u>	<u>\$ 14,013,590</u>	<u>\$ 37,200,534</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

NON MAJOR SPECIAL REVENUE FUNDS

*Corrections Fund.* Corrections fees levied by the Magistrate courts (e.g. a \$10 fee associated with a speeding or seat belt violation) are distributed to the County. This revenue is utilized in the local corrections system. These funds are to be used for the operation of the County jail and other costs related to housing County prisoners. See Section 33-3-25, NMSA 1978 Compilation.

*Valuation Fund.* A one-percent administrative charge is assessed against the property tax collections of all taxing entities in the County. This revenue is utilized by the Assessor in property valuations. See NMSA Compilation Section 7, Article 38-38-1.

*Road Maintenance.* Road Fund revenues consist of half of the vehicle registration fees in the county (the other half goes to municipalities), and a 21 cent per gallon gasoline tax, both collected and distributed to the County by the State of New Mexico. Also, the federal government collects a logging fee of which 25% is distributed to school districts and the County Road Fund. However, Road Fund expenses are also funded by transfers from the General Fund. State law mandates that the Road Fund expenses are funded by transfers from the General Fund. State law mandates that the Road Fund be utilized for "the construction, reconstruction, improvement and maintenance of county roads...". See Section 67-4-1, NMSA, 1978 Compilation.

*Emergency Medical Services.* The Emergency Medical Services Fund Act (NMSA 1978 Chapter 24, Articles 10A&B) make funds available from the State general fund "to incorporated municipalities, counties, or fire districts for use in establishment of emergency medical services, in order to reduce injury and loss of life." See Section 24-10A-1, NMSA 1978 Compilation.

*Farm and Range.* The Farm and Range Improvement Act directs the county commissioners to expend funds that are derived from the state's share of the 1934 Taylor Grazing Act public lands grazing district fees paid to the Bureau of Land Management. The funds may be used for the purposes of soil and water conservation, control of rodents and predatory animals, extermination of poisonous noxious weeds, and construction and maintenance of secondary roads within the County. See Section 6-11-6, NMSA, 1978 Compilation.

*Fire Fund.* Revenues of the Fire Fund are derived from County-levied Fire Protection fees, and fees on property and motor vehicle insurance businesses, which are collected by the State. Fire Protection Fund distributions to the County must be used for maintenance of fire departments, the purchase, construction, maintenance, repair and operation of fire stations and substations, fire apparatus, and equipment, and the payment of insurance premiums on fire stations, substations, and fire fighters. See Section 59A-53-5, NMSA, 1978 Compilation.

*Law Enforcement Protection Fund.* The Law Enforcement Protection Fund derives its revenue from 10% of fees, licenses, penalties and taxes from life, general casualty and title insurance business pursuant to the New Mexico Insurance Code (Chapter 59A NMSA 1978). A distribution of this revenue is made to the County on the basis of population and the number of full-time certified County police officers. Proceeds from this fund may be spent on law enforcement equipment, advanced law enforcement training, and as a match to federal law enforcement grants. See Section 29-13-1, NMSA, 1978 Compilation.

*Lodgers' Tax.* A four percent (4%) Hotel/Motel occupancy tax is the source of revenue to the two Lodgers Tax funds. Fifty percent (50%) of the proceeds from the first three percent (3%) and 100% of the next one percent (1%) of the occupancy tax is used for advertising tourist attractions in Santa Fe County. Fifty percent (50%) of the proceeds from the first three percent (3%) of the occupancy tax is designated to equip, furnish, and improve tourist facilities and to administer the tax. Established pursuant to Santa Fe County Lodgers' Occupancy Tax ordinance.

STATE OF NEW MEXICO  
SANTA FE COUNTY

NON MAJOR SPECIAL REVENUE FUNDS (Continued)

*Fire Impact Fees.* It consists of fees charged for new development, review, inspection, and permit required applications pursuant to Santa Fe County Fire Code, ordinance 1998-11. The proceeds are primarily used for capital improvements and facility expansion.

*Recreation.* One cent of a 21 cent per pack state cigarette tax is designated for "County and municipal recreation funds." The fund is designated for "operating recreational facilities, including salaries of instructors and other employees." See Section 7-12-15, NMSA, 1978 Compilation.

*Clerk Recording.* The fee for recording deeds, mortgages, contracts, liens, bills of sale, power of attorney, minim location, transcript of judgment, etc. is \$9 for the first page and \$2 for each subsequent page. Of this fee, \$4 of the \$9 for the first page is designated as an equipment recording fee and is received into this fund. New Mexico law stipulates that this fund is designated "for the purchase of equipment associated with recording, filing, maintaining or reproducing document See Section 14-8-12.2 NSMA 1978 Compilation.

*Indigent Hospital.* A 1/8 cent Gross Receipts Tax levied in the entire county and received into this fund is dedicated to hospital care, ambulance services or other health care services to indigent person living the County. In addition, the fund provides revenues to match federal funds to the State Medicaid program. See Section 7-20-2, NMSA, 1978 Compilation.

*Economic Development Fund.* Provide services in support of economic diversification, transition and development programs within Santa Fe County. As per the Department of Energy's Economic Development Community Assistance Program pursuant to Section 3161 of the 1993 Defense Appropriations Act.

*Federal Forfeitures Monies.* Money from federal seizures associated with anti-drug law enforcement activities is received in this fund and spent by the Sheriff's office in these activities. Revenue in this fund is not anticipated in the initial budget, but receipts occur during the fiscal year. Established by the County to account for federal forfeitures monies required by federal statute.

*Section 8 Voucher Program.* This fund handles rent subsidies received from HUD for "vouchers" to low-income persons renting housing in the private sector. This fund was created in accordance with the HUD contract.

*Housing Services Grant Program.* This fund handles HUD subsidies and grants pertaining to public housing in Santa Fe County. The County manages 221 public housing units located at three scattered housing neighborhoods. The Camino de Jacobo Housing Neighborhood (located off Airport Rd.) consists of 59 units. The Valle Vista Housing Neighborhood (off State Rd. 14) includes 100 units, and the Valle de Esperanza Housing Neighborhood located in Santa Cruz, New Mexico has a total of 52 units. On-site Boys and Girls Clubs are located at each housing neighborhood, funded through a General Fund transfer, and other federal grants pertaining to programs at the housing neighborhoods are also handled in this fund. This fund was created in accordance with the grant agreement.

*CFP Program.* This fund contains the Capital Fund Program (CFP) funded by the U.S. Department of Housing and Urban Development (HUD). These monies are used to make comprehensive repairs to the existing public housing of Santa Fe County, and are applied for and granted on an annual basis. This fund was created in accordance with the grant agreement.

*Developer Fees.* This fund had received approximately \$2 million in payments from the private Las Campanas housing development project into the County Affordable Housing program, which assists low income persons in the purchase of homes. Current revenue is from interest on the cash balance of this fund. Mortgages funded by another developer as part of an affordable housing program are recorded to this fund. Established by the County to account for funds contributed by Las Campanas Limited Partnership and others for affordable housing programs and other projects. The fund was

STATE OF NEW MEXICO  
SANTA FE COUNTY

NON MAJOR SPECIAL REVENUE FUNDS (Continued)

created by the Board of County Commissioners.

*Correctional Gross Receipts Tax.* A 1/8 cent county-wide gross receipts tax was approved by the votes in 2004. This fund handles the receipt of the corrections gross receipts tax. Proceeds from this fund are transferred to the Jail Enterprise fund for the operation of the Adult Detention Facility.

*Wildlife Mountain Trails.* This fund was created in fiscal year 2000 when the County Board of Commissioners adopted a Resolution (2000-57) that “in all future property acquisition negotiations for Wildlife, Mountains, Trails and Historic Places Program, the County requires that participating landowners donate at least 5% of the fair market value of properties, as determined by an appraisal, in lieu of a real estate commission...to fund capital improvements and maintenance of properties acquired for the Program.” This is paid through the title company to the County as part of the closing of the purchase of the property. This fund was created by action of the Board of County Commissioners.

*Santa Fe River Restoration.* This was created to account for federal revenues and other funds used for purposes of restoring areas along the Santa Fe River in an effort to protect watersheds, water quality and access to water for wildlife.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Balance Sheet

June 30, 2005

	Corrections Fund	Valuation Fund	Road Maintenance	Emergency Medical Services	Farm and Range	Fire Fund
Equity in pooled cash and investments - restricted	\$ 112,827	\$ 581,446	\$ 1,095,842	\$ 118,154	\$ 8,697	\$ 4,509,234
Receivables, net of allowance for uncollectibles:						
Taxes	-	-	113,512	-	-	276,872
Interest	-	-	-	-	-	-
Grantor agencies and other	58,832	298	649	-	-	840
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 171,659	\$ 581,744	\$ 1,210,003	\$ 118,154	\$ 8,697	\$ 4,786,946

ASSETS

LIABILITIES & FUND BALANCES

Liabilities:

Accounts payable and accrued expenditures	\$ 65,734	\$ 39,017	\$ 166,401	\$ 5,616	\$ -	\$ 110,066
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	-	-	-	-	-
Total liabilities	65,734	39,017	166,401	5,616	-	110,066

Fund Balances (deficit):

Reserved fund balance for encumbrances	28,405	900	503,317	30,964	-	557,141
Reserved fund balance by grant or law	77,520	541,827	540,285	81,574	8,697	4,119,739
Total reserved fund balance	105,925	542,727	1,043,602	112,538	8,697	4,676,880
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-	-	-	-
Total fund balance (deficit)	105,925	542,727	1,043,602	112,538	8,697	4,676,880
Total liabilities & fund balances	\$ 171,659	\$ 581,744	\$ 1,210,003	\$ 118,154	\$ 8,697	\$ 4,786,946

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Balance Sheet (Continued)

June 30, 2005

	Law Enforcement Protection Fund	Lodgers' Tax	Fire Impact Fees	Recreation	Clerk Recording	Indigent Hospital
Equity in pooled cash and investments - restricted	\$ 16,077	\$ 934,319	\$ 2,505,547	\$ 11,024	\$ 270,774	\$ 1,560,949
Receivables, net of allowance for uncollectibles:						
Taxes	-	58,891	-	-	-	765,623
Interest	-	-	-	-	-	-
Grantor agencies and other	-	-	-	-	-	-
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 16,077	\$ 993,210	\$ 2,505,547	\$ 11,024	\$ 270,774	\$ 2,326,572

LIABILITIES & FUND BALANCE

Liabilities:						
Accounts payable and accrued expenditures	\$ 3,384	\$ 143	\$ 42,902	\$ -	\$ 1,097	\$ 22,134
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	-	-	-	-	-
Total liabilities	3,384	143	42,902	-	1,097	22,134
Fund Balance (deficit):						
Reserved fund balance for encumbrances	7,457	20,277	48,113	2,500	75,572	491,229
Reserved fund balance by grant or law	5,236	972,790	2,414,532	8,524	194,105	1,813,209
Total reserved fund balance	12,693	993,067	2,462,645	11,024	269,677	2,304,438
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-	-	-	-
Total fund balance (deficit)	12,693	993,067	2,462,645	11,024	269,677	2,304,438
Total liabilities & fund balances	\$ 16,077	\$ 993,210	\$ 2,505,547	\$ 11,024	\$ 270,774	\$ 2,326,572

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Balance Sheet (Continued)

June 30, 2005

	Economic Development Fund	Federal Forfeitures Monies	Section 8 Voucher Program	Housing Services Grant Program	CFP Program	Developer Fees
\$	7,358	\$ 93,093	\$ 172,564	\$ 2,021,070	\$ -	\$ 1,359,325
Taxes	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Grantor agencies and other	-	-	16,792	136,967	107,404	-
Mortgages	-	-	-	-	-	4,308,786
Due from other funds	-	-	-	-	-	-
Total assets	\$ 7,358	\$ 93,093	\$ 189,356	\$ 2,158,037	\$ 107,404	\$ 5,668,111

ASSETS

Equity in pooled cash and investments - restricted  
Receivables, net of allowance for uncollectibles:

Taxes  
Interest  
Grantor agencies and other  
Mortgages  
Due from other funds

Total assets

LIABILITIES & FUND BALANCE

Liabilities:

Accounts payable and accrued expenditures  
Due to other funds  
Deferred revenue  
Deposits held for others  
Total liabilities

Fund Balance (deficit):

Reserved fund balance for encumbrances  
Reserved fund balance by grant or law  
Total reserved fund balance  
Unreserved fund balance (deficit) designated for  
subsequent year expenditures  
Total fund balance (deficit)

Total liabilities & fund balances

(Continued)



STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Balance Sheet (Continued)

June 30, 2005

	Correctional	Wildlife	Santa Fe	
	Gross Receipts Tax	Mountain Trails	River	Totals
Equity in pooled cash and investments - restricted	\$ 416,784	\$ 327,075	\$ -	\$ 16,122,159
Receivables, net of allowance for uncollectibles:				
Taxes	738,571	-	-	1,953,469
Interest	-	-	-	-
Grantor agencies and other	-	-	-	321,782
Mortgages	-	-	-	4,308,786
Due from other funds	-	-	-	-
Total assets	\$ 1,155,355	\$ 327,075	\$ -	\$ 22,706,196

LIABILITIES & FUND BALANCE

Liabilities:				
Accounts payable and accrued expenditures	\$ -	\$ 1,235	\$ -	\$ 632,342
Due to other funds	-	-	-	91,976
Deferred revenue	-	-	-	4,308,786
Deposits held for others	-	-	-	120,285
Total liabilities	-	1,235	-	5,153,389
Fund Balance (deficit):				
Reserved fund balance for encumbrances	-	804	-	1,855,555
Reserved fund balance by grant or law	1,155,355	325,036	-	15,753,637
Total reserved fund balance	1,155,355	325,840	-	17,609,192
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-	(56,385)
Total fund balance (deficit)	1,155,355	325,840	-	17,552,807
Total liabilities & fund balances	\$ 1,155,355	\$ 327,075	\$ -	\$ 22,706,196

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit B-2  
Page 1 of 4

Non Major Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Equity

Year Ended June 30, 2005

	Corrections Fund	Valuation Fund	Road Maintenance	Emergency Medical Services	Farm and Range	Fire Fund
Revenues:						
Grants	\$ -	\$ -	\$ 41,453	\$ 114,802	\$ 822	\$ 26,237
Taxes and special assessments	-	703,336	748,160	-	-	1,550,603
Interest earnings	-	-	-	-	-	-
Charges for services and fees	331,585	-	8,788	-	-	9,740
Other	-	-	-	-	-	11,250
Total revenues	<u>331,585</u>	<u>703,336</u>	<u>798,401</u>	<u>114,802</u>	<u>822</u>	<u>1,597,830</u>
Expenditures:						
General government services	-	593,895	-	-	5,000	-
Public safety	38,074	-	-	90,968	-	1,900,681
Highways and streets	-	-	2,444,861	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	<u>38,074</u>	<u>593,895</u>	<u>2,444,861</u>	<u>90,968</u>	<u>5,000</u>	<u>1,900,681</u>
Excess (deficiency) of revenues over expenditures	<u>293,511</u>	<u>109,441</u>	<u>(1,646,460)</u>	<u>23,834</u>	<u>(4,178)</u>	<u>(302,851)</u>
Other financing sources (uses):						
Operating transfers in	-	-	1,074,751	-	-	16,520
Operating transfers out	(300,000)	-	(19,250)	-	-	(963,593)
Total other financing sources (uses)	<u>(300,000)</u>	<u>-</u>	<u>1,055,501</u>	<u>-</u>	<u>-</u>	<u>(947,073)</u>
Net change in fund balances	<u>(6,489)</u>	<u>109,441</u>	<u>(590,959)</u>	<u>23,834</u>	<u>(4,178)</u>	<u>(1,249,924)</u>
Fund equity (deficit), beginning of year	<u>112,414</u>	<u>433,286</u>	<u>1,634,561</u>	<u>88,704</u>	<u>12,875</u>	<u>5,926,804</u>
Fund equity (deficit), end of year	<u>\$ 105,925</u>	<u>\$ 542,727</u>	<u>\$ 1,043,602</u>	<u>\$ 112,538</u>	<u>\$ 8,697</u>	<u>\$ 4,676,880</u>

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit B-2  
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Non Major Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Equity (Continued)

Year Ended June 30, 2005

	Law Enforcement Protection Fund	Lodgers' Tax	Fire Impact Fees	Recreation	Clerk Recording	Indigent Hospital
Revenues:						
Grants	\$ 85,034	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	397,028	-	1,127	-	4,317,535
Interest earnings	-	18,035	-	-	-	-
Charges for services and fees	-	-	820,543	-	193,359	1,750,667
Other	-	-	-	-	-	56,129
Total revenues	85,034	425,063	820,543	1,127	193,359	6,124,331
Expenditures:						
General government services	-	-	-	-	137,646	-
Public safety	75,965	-	518,278	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	5,509,831
Culture and recreation	-	-	-	2,000	-	-
Economic development	-	287,262	-	-	-	-
Total expenditures	75,965	287,262	518,278	2,000	137,646	5,509,831
Excess (deficiency) of revenues over expenditures	9,069	137,801	302,265	(873)	55,713	614,500
Other financing sources (uses):						
Operating transfers in	-	-	930,553	-	-	-
Operating transfers out	-	(1,500)	-	-	-	-
Total other financing sources (uses)	-	(1,500)	930,553	-	-	-
Net change in fund balances	9,069	136,301	1,232,818	(873)	55,713	614,500
Fund equity (deficit), beginning of year	3,624	856,766	1,229,827	11,897	213,964	1,689,938
Fund equity (deficit), end of year	\$ 12,693	\$ 993,067	\$ 2,462,645	\$ 11,024	\$ 269,677	\$ 2,304,438

Non Major Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Equity (Continued)

Year Ended June 30, 2005

	Economic Development Fund	Federal Forfeitures Monies	Section 8 Voucher Program	Housing Services Grant Program	CFP Program	Developer Fees
Revenues:						
Grants	\$ -	\$ -	\$1,920,079	\$ 502,932	\$ 411,145	\$ -
Taxes and special assessments	-	25,681	-	-	-	-
Interest earnings	-	-	2	3,085	-	17,551
Charges for services and fees	-	-	11,674	-	-	-
Other	-	-	-	-	-	25,620
Total revenues	-	25,681	1,931,755	506,017	411,145	43,171
Expenditures:						
General government services	-	-	-	-	-	-
Public safety	-	47,192	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	1,706,998	543,079	345,717	5,318
Culture and recreation	-	-	-	-	-	-
Economic development	2,496	-	-	-	-	-
Total expenditures	2,496	47,192	1,706,998	543,079	345,717	5,318
Excess (deficiency) of revenues over expenditures	(2,496)	(21,511)	224,757	(37,062)	65,428	37,853
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	(255,325)	(66,543)	(131,231)	-
Total other financing sources (uses)	-	-	(255,325)	(66,543)	(131,231)	-
Net change in fund balances	(2,496)	(21,511)	(30,568)	(103,605)	(65,803)	37,853
Fund equity (deficit), beginning of year	9,854	114,604	97,842	2,160,639	9,418	1,321,472
Fund equity (deficit), end of year	\$ 7,358	\$ 93,093	\$ 67,274	\$ 2,057,034	\$ (56,385)	\$ 1,359,325

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Equity (Continued)

Year Ended June 30, 2005

	Correctional	Wildlife	Santa Fe	Totals
	Gross Receipts Tax	Mountain Trails	River	
Revenues:				
Grants	\$ -	\$ -	\$ 42,422	\$ 3,154,926
Taxes and special assessments	1,983,895	-	-	9,727,365
Interest earnings	-	-	-	38,673
Charges for services	-	-	-	3,126,356
Other	-	66,230	-	159,229
Total revenues	1,983,895	66,230	42,422	16,206,549
Expenditures:				
General government services	-	-	-	736,541
Public safety	-	-	-	2,671,158
Highways and streets	-	-	-	2,444,861
Health and welfare	-	-	-	8,110,943
Culture and recreation	-	22,689	42,422	67,111
Economic development	-	-	-	289,758
Total expenditures	-	22,689	42,422	14,320,372
Excess (deficiency) of revenues over expenditures	1,983,895	43,541	-	1,886,177
Other financing sources (uses):				
Operating transfers in	-	-	-	2,021,824
Operating transfers out	(828,540)	-	-	(2,565,982)
Total other financing sources (uses)	(828,540)	-	-	(544,158)
Net change in fund balances	1,155,355	43,541	-	1,342,019
Fund equity (deficit), beginning of year	-	282,299	-	16,210,788
Fund equity (deficit), end of year	\$ 1,155,355	\$ 325,840	\$ -	\$ 17,552,807

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2005

	Corrections Fund			Valuation Fund			Road Maintenance			Variance- Favorable (Unfavorable)	
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Original Budget	Final Budget		Actual
<b>Revenues:</b>											
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 40,000	\$ 41,453	\$ 1,453
Taxes and special assessments	-	-	-	-	670,531	707,426	709,572	650,000	650,000	724,998	74,998
Interest earnings	-	-	-	-	-	-	-	-	-	-	-
Charges for services	300,000	300,000	297,244	(2,756)	-	25	25	12,060	43,974	42,132	(1,842)
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	300,000	300,000	297,244	(2,756)	670,531	707,426	709,597	702,060	733,974	808,583	74,609
Cash balance carryforward	-	87,465	-	-	157,331	158,653	-	719,860	1,322,620	-	-
Total	\$ 300,000	\$ 387,465	-	\$ -	\$ 827,862	\$ 866,079	-	\$ 1,421,920	\$ 2,056,594	-	-
<b>Expenditures:</b>											
General government services	\$ -	\$ -	\$ -	\$ -	\$ 827,862	\$ 866,079	\$ 594,796	\$ -	\$ -	\$ -	\$ -
Public safety	-	87,465	66,479	20,986	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	2,433,057	3,112,095	2,925,406	186,689
Health and welfare	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ -	\$ 87,465	\$ 66,479	\$ 20,986	\$ 827,862	\$ 866,079	\$ 594,796	\$ 2,433,057	\$ 3,112,095	\$ 2,925,406	\$ 186,689
<b>Other financing sources (uses):</b>											
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,011,137	\$ 1,074,751	\$ 1,074,751	\$ -
Operating transfers out	(300,000)	(300,000)	(300,000)	-	-	-	-	-	(19,250)	(19,250)	-
Total other financing sources (uses)	\$ (300,000)	\$ (300,000)	\$ (300,000)	\$ -	\$ -	\$ -	\$ -	\$ 1,011,137	\$ 1,055,501	\$ 1,055,501	\$ -

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis) (Continued)

Year Ended June 30, 2005

	Emergency Medical Services			Farm and Range			Fire Fund			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
Revenues:										
Grants	\$ 122,816	\$ 114,802	\$ 114,802	\$ 1,000	\$ 1,000	\$ 822	\$ 924,488	\$ 970,401	\$ 982,239	\$ 11,838
Taxes and special assessments	-	-	-	-	-	-	1,426,000	1,426,000	1,538,771	112,771
Interest earnings	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	300	300
Other	-	-	-	-	-	-	-	3,367	6,303	2,936
Total revenues	122,816	114,802	114,802	1,000	1,000	822	2,350,488	2,399,768	2,527,613	127,845
Cash balance carryforward	-	69,184	-	4,000	4,000	-	594,909	4,598,264	-	-
Total	\$ 122,816	\$ 183,986	-	\$ 5,000	\$ 5,000	-	\$ 2,945,397	\$ 6,998,032	-	-
Expenditures:										
General government services	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -
Public safety	122,816	183,986	121,936	-	-	-	2,945,397	6,034,439	2,444,796	3,589,643
Highways and streets	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 122,816	\$ 183,986	\$ 121,936	\$ 5,000	\$ 5,000	\$ 5,000	\$ 2,945,397	\$ 6,034,439	\$ 2,444,796	\$ 3,589,643
Other financing sources (uses):										
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,520	\$ 16,520
Operating transfers out	-	-	-	-	-	-	-	(963,593)	(963,593)	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (963,593)	\$ (947,073)	\$ 16,520

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP) Budgetary Basis (Continued)

Year Ended June 30, 2005

	Law Enforcement Protection Fund			Lodgers' Tax			Recreation			Variance- Favorable (Unfavorable)		
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)	Original Budget		Final Budget	Actual
<b>Revenues:</b>												
Grants	\$ 66,000	\$ 66,000	\$ 85,034	\$ 19,034	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-	332,202	332,205	415,033	82,828	1,400	1,400	1,127	(273)
Interest earnings	-	-	-	-	-	-	18,035	18,035	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	4,661	-	(4,661)	-	-	-	-	-	-	-	-
Total revenues	66,000	70,661	85,034	14,373	332,202	332,205	443,068	110,863	1,400	1,400	1,127	(273)
Cash balance carryforward	-	12,782	-	-	-	59,556	-	-	-	6,367	-	-
<b>Total</b>	<b>\$ 66,000</b>	<b>\$ 83,443</b>	<b>\$ 83,421</b>	<b>\$ 14,373</b>	<b>\$ 332,202</b>	<b>\$ 332,205</b>	<b>\$ 391,761</b>	<b>\$ 110,863</b>	<b>\$ 1,400</b>	<b>\$ 7,767</b>	<b>\$ 4,500</b>	<b>\$ 3,267</b>
<b>Expenditures:</b>												
General government services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	66,000	83,443	83,421	22	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	1,400	7,767	4,500	3,267
Economic development	-	-	-	-	332,205	390,261	323,001	67,260	-	-	-	-
Total expenditures	\$ 66,000	\$ 83,443	\$ 83,421	\$ 22	\$ 332,205	\$ 390,261	\$ 323,001	\$ 67,260	\$ 1,400	\$ 7,767	\$ 4,500	\$ 3,267
Other financing sources (uses):												
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	-	-	-	(1,500)	(1,500)	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,500)	\$ (1,500)	\$ -	\$ -	\$ -	\$ -	\$ -



STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis) (Continued)

Year Ended June 30, 2005

	Clerk Recording			Indigent Hospital			Economic Development Fund			Variance- Favorable (Unfavorable)		
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)	Original Budget		Final Budget	Actual
Revenues:												
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-	4,100,000	4,100,000	4,328,478	228,478	-	-	-	-
Interest earnings	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	166,650	166,650	193,359	26,709	1,301,497	1,301,497	1,750,691	449,194	-	-	-	-
Other	-	-	-	-	-	-	56,129	56,129	-	-	-	-
Total revenues	166,650	166,650	\$193,359	\$ 26,709	5,401,497	5,401,497	\$6,135,298	\$ 733,801	-	-	\$ -	\$ -
Cash balance carryforward	61,000	80,225			43,278	767,616			-	3,234		
Total	\$ 227,650	\$ 246,875			\$ 5,444,775	\$ 6,169,113			\$ -	\$ 3,234		\$ -
Expenditures:												
General government services	\$ 227,650	\$ 246,875	\$ 213,221	\$ 33,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	5,444,775	6,169,113	6,001,060	168,053	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	3,234	3,230	4
Total expenditures	\$ 227,650	\$ 246,875	\$ 213,221	\$ 33,654	\$ 5,444,775	\$ 6,169,113	\$ 6,001,060	\$ 168,053	\$ -	\$ 3,234	\$ 3,230	\$ 4
Other financing sources (uses):												
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis) (Continued)

Year Ended June 30, 2005

	Section 8 - Voucher Program			Housing Services Grant Program			Fire Impact Fees			Variance- Favorable (Unfavorable)		
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)	Original Budget		Final Budget	Actual
Revenues:												
Grants	\$ 1,845,813	\$ 1,985,194	\$ 1,920,016	\$ (65,178)	\$ 742,513	\$ 742,513	\$ 472,199	\$ (270,314)	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-	-	-	-	-	-	-	-	-
Interest earnings	-	-	2	2	-	-	-	-	-	-	-	-
Charges for services	-	-	8,673	8,673	-	-	-	-	-	11,981	820,543	808,562
Other	-	-	-	-	-	-	3,085	3,085	-	-	-	-
Total revenues	1,845,813	1,985,194	\$ 1,928,691	\$ (56,503)	742,513	742,513	\$ 475,284	\$ (267,229)	-	11,981	\$ 820,543	\$ 808,562
Cash balance carryforward	-	3,250	-	-	-	25,535	-	-	-	100,202	-	-
Total	\$ 1,845,813	\$ 1,988,444	-	\$ (56,503)	\$ 742,513	\$ 768,048	-	\$ (267,229)	\$ -	\$ 112,183	-	\$ 808,562
Expenditures:												
General government services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-	-	-	-	2,272,571	523,489	1,749,082
Highways and streets	-	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	1,651,988	1,733,119	1,706,990	26,129	675,970	701,505	630,275	71,230	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 1,651,988	\$ 1,733,119	\$ 1,706,990	\$ 26,129	\$ 675,970	\$ 701,505	\$ 630,275	\$ 71,230	\$ -	\$ 2,272,571	\$ 523,489	\$ 1,749,082
Other financing sources (uses):												
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,160,388	\$ 930,553	\$ (1,229,835)
Operating transfers out	(193,825)	(255,325)	(255,325)	-	(66,543)	(66,543)	(66,543)	-	-	-	-	-
Total other financing sources (uses)	\$ (193,825)	\$ (255,325)	\$ (255,325)	\$ -	\$ (66,543)	\$ (66,543)	\$ (66,543)	\$ -	\$ -	\$ 2,160,388	\$ 930,553	\$ (1,229,835)

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis) (Continued)

Year Ended June 30, 2005

	CFP Program			Developer Fees			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
Revenues:							
Grants	\$ 679,560	\$ 668,597	\$ 418,660	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-	-	-	-
Interest earnings	-	-	-	-	-	17,551	17,551
Charges for services	-	-	-	-	-	-	-
Other	-	-	-	-	-	25,620	25,620
Total revenues	679,560	668,597	418,660	-	-	43,171	43,171
Cash balance carryforward	-	42,337	-	-	23,476	-	-
Total	\$ 679,560	\$ 710,934	\$ 418,660	\$ -	\$ 23,476	\$ 43,171	\$ 43,171
Expenditures:							
General government services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	592,680	579,703	463,583	-	23,476	6,161	17,315
Culture and recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Total expenditures	\$ 592,680	\$ 579,703	\$ 463,583	\$ -	\$ 23,476	\$ 6,161	\$ 17,315
Other financing sources (uses):							
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers out	(86,880)	(131,231)	(131,231)	-	-	-	-
Total other financing sources (uses)	\$ (86,880)	\$ (131,231)	\$ (131,231)	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP) Budgetary Basis) (Continued)

Year Ended June 30, 2005

	Correctional Gross Receipt Tax			Federal Forfeiture			Wildlife Mountain Trails			Variance- Favorable (Unfavorable)	
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Original Budget	Final Budget		Actual
Revenues:											
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (36,547)
Taxes and special assessments	-	828,540	1,245,324	416,784	-	115,264	115,264	-	-	-	-
Interest earnings	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	66,230	66,230
Total revenues	-	828,540	\$ 1,245,324	\$ 416,784	-	115,264	\$ 115,264	\$ -	36,547	\$ 66,230	\$ 29,683
Cash balance carryforward	-	-	-	-	-	20,460	40,264	22,556	40,264	-	-
Total	\$ -	\$ 828,540	\$ -	\$ -	\$ -	\$ 135,724	\$ 76,811	\$ 22,556	\$ 76,811	\$ -	\$ -
Expenditures:											
General government services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	135,724	47,296	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	22,556	76,811	23,494	53,317
Economic development	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,724	\$ 47,296	\$ 22,556	\$ 76,811	\$ 23,494	\$ 53,317
Other financing sources (uses):											
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	(828,540)	(828,540)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ (828,540)	\$ (828,540)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP) Budgetary Basis) (Continued)

Year Ended June 30, 2005

	Santa Fe River				Totals			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)	Original Budget	Final Budget	Actual	
Revenues:								
Grants	\$ -	\$ 227,171	\$ 45,108	\$ (182,063)	\$ 4,422,190	\$ 4,852,225	\$ 4,090,333	\$ (761,892)
Taxes and special assessments	-	-	-	-	7,180,133	8,160,835	9,078,567	917,732
Interest earnings	-	-	-	-	-	-	35,588	35,588
Charges for services	-	-	-	-	1,780,207	1,824,102	3,112,967	1,288,865
Other	-	-	-	-	-	8,028	157,367	149,339
Total revenues	-	227,171	45,108	(182,063)	13,382,530	14,845,190	16,474,822	1,629,632
Cash balance carryforward	-	53,122	-	-	1,602,934	7,478,612	-	-
Total	\$ -	\$ 280,293	\$ -	\$ -	\$ 14,985,464	\$ 22,323,802	\$ -	\$ -
Expenditures:								
General government services	\$ -	\$ -	\$ -	\$ -	\$ 1,060,512	\$ 1,117,954	\$ 813,017	\$ 304,937
Public safety	-	-	-	-	3,134,213	8,797,628	3,287,417	5,510,211
Highways and streets	-	-	-	-	2,433,057	3,112,095	2,925,406	186,689
Health and welfare	-	-	-	-	8,365,413	9,206,916	8,808,069	398,847
Culture and recreation	-	281,690	53,122	228,568	23,956	366,268	81,116	285,152
Economic development	-	-	-	-	332,205	393,495	326,231	67,264
Total expenditures	\$ -	\$ 281,690	\$ 53,122	\$ 228,568	\$ 15,349,356	\$ 22,994,356	\$ 16,241,256	\$ 6,753,100
Other financing sources (uses):								
Operating transfers in	\$ -	\$ 1,397	\$ -	\$ (1,397)	1,011,137	3,236,536	2,021,824	(1,214,712)
Operating transfers out	-	-	-	-	(647,248)	(2,565,982)	(2,565,982)	-
Total other financing sources (uses)	\$ -	\$ 1,397	\$ -	\$ (1,397)	\$ 363,889	\$ 670,554	\$ (544,158)	\$ (1,214,712)

STATE OF NEW MEXICO  
SANTA FE COUNTY

NON MAJOR DEBT SERVICE FUNDS

The following funds have been established by the County:

*Debt Service.* To account for the pledged property taxes and payment of principal and interest related to the County's General Obligation Bonds.

*Environmental Revenue Bond Fund.* To account for the pledged gross receipts tax and payments of principal and interest related to the County's Environmental Revenue Bonds.

*New Mexico Finance Authority (NMFA) Debt Service Fund.* To account for the pledged revenues and payments of principal, interest and other costs related to the borrowings through the NMFA.

*Sheriff's Facility Bond Reserve Fund.* To account for \$425,905 and the interest earned that has been set aside from the County's Sheriff Facility Bond proceeds as a reserve fund. These funds will be used to repay principal and interest relating to the bonds if inadequate pledged gross receipts taxes are collected.

*Fire Tax Revenue Bond Debt Service.* To account for the funds set aside from the Fire Tax Revenue Bonds and funds transferred in to repay principal and interest for the bond issue.

*Rancho Viejo Improvement District.* To account for pledged revenues and payments of principal, interest and other debt service costs for the Rancho Viejo Bonds.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit C-1

Non Major Debt Service Funds  
Combining Balance Sheet

June 30, 2005

	Debt Service	Environmental Revenue Bond Fund	NMFA Debt Service Fund	Sheriff Facility Bond Reserve	Fire Tax Revenue Bond Debt Service	Rancho Viejo Improvement District	Total
ASSETS							
Equity in pooled cash and investments - restricted	\$ 4,218,551	\$ 376,186	\$ 209,283	\$ 456,406	\$ -	\$ 328,219	\$ 5,588,645
Taxes receivable	407,745	-	-	-	-	5,947	413,692
Interest receivable and other	-	-	-	12,207	-	-	12,207
Due from other funds	-	-	-	-	5,719	-	5,719
Total assets	\$ 4,626,296	\$ 376,186	\$ 209,283	\$ 468,613	\$ 5,719	\$ 334,166	\$ 6,020,263
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	382,215	-	-	-	-	3,911	386,126
Total liabilities	382,215	-	-	-	-	3,911	386,126
Fund Balance							
Reserved for debt service	4,244,081	376,186	209,283	468,613	5,719	330,255	5,634,137
Total liabilities and fund balance	\$ 4,626,296	\$ 376,186	\$ 209,283	\$ 468,613	\$ 5,719	\$ 334,166	\$ 6,020,263

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit C-2

Debt Service Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Equity

Year Ended June 30, 2005

	Debt Service	Environmental Revenue Bond Fund	NMFA Debt Service Fund	Sheriff Facility Bond Reserve	Fire Tax Revenue Debt Service	Rancho Viejo Improvement District	Totals
Revenues:							
Property taxes and special assessments	\$ 4,403,145	\$ 636,889	\$ -	\$ -	\$ -	\$ 249,513	\$ 5,289,547
Interest earnings	61	-	5,676	26,959	-	2,663	35,359
Total revenues	<u>4,403,206</u>	<u>636,889</u>	<u>5,676</u>	<u>26,959</u>	<u>-</u>	<u>252,176</u>	<u>5,324,906</u>
Expenditures:							
Administrative costs	901	2,880	1,741	-	-	907	6,429
Debt service charges:							
Principal	2,280,000	-	350,590	125,000	-	25,000	2,780,590
Interest	1,879,542	-	19,171	296,780	-	135,937	2,331,430
Total expenditures	<u>4,160,443</u>	<u>2,880</u>	<u>371,502</u>	<u>421,780</u>	<u>-</u>	<u>161,844</u>	<u>5,118,449</u>
Excess (deficiency) of revenues over expenditures	<u>242,763</u>	<u>634,009</u>	<u>(365,826)</u>	<u>(394,821)</u>	<u>-</u>	<u>90,332</u>	<u>206,457</u>
Other financing sources (uses):							
Operating transfers in	132,724	-	374,966	394,780	-	-	902,470
Operating transfers out	-	(713,000)	-	-	-	-	(713,000)
Total other financing sources (uses)	<u>132,724</u>	<u>(713,000)</u>	<u>374,966</u>	<u>394,780</u>	<u>-</u>	<u>-</u>	<u>189,470</u>
Net change in fund balance	375,487	(78,991)	9,140	(41)	-	90,332	395,927
Fund balance, beginning of year	3,868,594	455,177	200,143	468,654	5,719	239,923	5,238,210
Fund balance, end of year	<u>\$ 4,244,081</u>	<u>\$ 376,186</u>	<u>\$ 209,283</u>	<u>\$ 468,613</u>	<u>\$ 5,719</u>	<u>\$ 330,255</u>	<u>\$ 5,634,137</u>

The accompanying notes are an integral part of this statement.



STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Debt Service Funds  
Combining Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2005

	Debt Service			Environmental Revenue Bond Fund			
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:							
Property taxes and special assessments	\$ 4,163,544	\$ 4,030,744	\$ 4,399,553	\$ -	\$ -	\$ -	\$ -
Gross receipts tax	-	-	-	713,000	713,000	769,389	56,389
Interest and other	-	-	61	-	-	-	-
Total revenues	4,163,544	4,030,744	4,399,614	713,000	713,000	769,389	56,389
Cash balance carryforward	-	-	-	-	2,881	-	-
Total	\$ 4,163,544	\$ 4,030,744		\$ 713,000	\$ 715,881		
Expenditures:							
Administrative costs	\$ 4,000	\$ 4,000	\$ 901	\$ -	\$ 2,881	\$ 2,880	\$ 1
Debt service charges:							
Principal	2,280,000	2,280,000	2,280,000	-	-	-	-
Interest	1,879,544	1,879,544	1,879,542	-	-	-	-
Total expenditures	\$ 4,163,544	\$ 4,163,544	\$ 4,160,443	\$ -	\$ 2,881	\$ 2,880	\$ 1
Other financing sources (uses):							
Operating transfers in	\$ -	\$ 132,800	\$ 132,724	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	-	(713,000)	(713,000)	(713,000)	-
Total other financing sources (uses)	\$ -	\$ 132,800	\$ 132,724	\$ (713,000)	\$ (713,000)	\$ (713,000)	\$ -

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Debt Service Funds  
Combining Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis) (Continued)

Year Ended June 30, 2005

	NMFA Debt Service Fund			Sheriff's Facility Bond Reserve Fund			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	
Revenues:							
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts tax	-	-	-	-	-	-	-
Interest and other	3,600	3,600	5,676	27,000	27,000	26,959	(41)
Total revenues	3,600	3,600	5,676	27,000	27,000	26,959	(41)
Cash balance carryforward	-	-	-	-	-	-	-
Total	\$ 3,600	\$ 3,600	\$ 5,676	\$ 27,000	\$ 27,000	\$ 26,959	\$ (41)
Expenditures:							
Administrative costs	\$ 2,604	\$ 2,604	\$ 1,741	\$ -	\$ -	\$ -	\$ -
Debt service charges:							
Principal	356,590	356,590	350,590	125,000	125,000	125,000	-
Interest	19,372	19,372	19,171	296,780	296,780	296,780	-
Total expenditures	\$ 378,566	\$ 378,566	\$ 371,502	\$ 421,780	\$ 421,780	\$ 421,780	\$ -
Other financing sources (uses):							
Operating transfers in	\$ 374,966	\$ 374,966	\$ 374,966	\$ 394,780	\$ 394,780	\$ 394,780	\$ -
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 374,966	\$ 374,966	\$ 374,966	\$ 394,780	\$ 394,780	\$ 394,780	\$ -

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit C-3  
Page 3 of 3

**Non Major Debt Service Funds**  
**Combining Statement of Revenues and Expenditures -**  
**Budget and Actual (Non-GAAP Budgetary Basis) (Continued)**

Year Ended June 30, 2005

	Totals (Memorandum Only)			
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>				
Property taxes and special assessments	\$ 4,163,544	\$ 4,030,744	\$ 4,399,553	\$ 368,809
Gross receipts tax	713,000	713,000	769,389	56,389
Interest and other	30,600	30,600	32,696	2,096
Total revenues	4,907,144	4,774,344	<u>\$ 5,201,638</u>	<u>\$ 427,294</u>
Cash balance carryforward	-	2,881		
Total	<u>4,907,144</u>	<u>4,777,225</u>		
<b>Expenditures:</b>				
Administrative costs	6,604	9,485	5,522	\$ 3,963
Debt service charges:				
Principal	2,761,590	2,761,590	2,755,590	6,000
Interest	2,195,696	2,195,696	2,195,493	203
Total expenditures	<u>4,963,890</u>	<u>4,966,771</u>	<u>4,956,605</u>	<u>\$ 10,166</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	769,746	902,546	902,470	\$ (76)
Operating transfers out	(713,000)	(713,000)	(713,000)	-
Total other financing sources (uses)	<u>56,746</u>	<u>\$ 189,546</u>	<u>\$ 189,470</u>	<u>\$ (76)</u>

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**NON MAJOR CAPITAL PROJECT FUNDS**

*Road Projects.* This fund handles the revenue and expense for road projects conducted by the County. Only those road projects with present agreements for funding are included in the fiscal year budget. Established by the County to account for funding from the New Mexico State Highway and Transportation Department and other sources for road improvements. The fund was created by the Board of County Commissioners.

*State of New Mexico Special Appropriations and Other Projects.* This fund handles the revenue and expense for state-granted facility construction projects. The fund contains only those projects which have signed grant agreements. As other project agreements are made during the fiscal year they will be added to the budget.

*Community Development Block Grant (CDBG).* This fund handles Community Development Block Grants (CDBG) funded by the U.S. Department of Housing and Urban Development (HUD), passed through and administered by the State of New Mexico Department of Finance and Administration and other projects funded by outside donations.

*G.O. Bond Proceeds Roads - 1997.* The General Obligation Bond Series 1997 was a \$10.5 million bond issue for the purpose of improving roads, the waste water system, and the purchase of emergency and fire fighting equipment. The debt on this bond is paid with property taxes through the General Obligation Bond Debt Service Fund (401). This fund was established by the County to account for proceeds from the 1997 bonds in accordance with the bond ordinance and subsequent transfers from other funds.

*New Mexico Finance Authority (NMFA) Loan Proceeds.* Santa Fe County utilizes low-interest loans from the New Mexico Finance Authority to purchase capital equipment. Payments on equipment loans are made through the Equipment Loan Debt Service Fund (403).

*Open Space Bond Proceeds.* This was a major fund in the 2003 financial statements. This fund has proceeds from the 1999 Open Space Bonds and 2001 Open Space Bonds. Retirement at the debt is financed through property taxes.

*Bond Proceeds Facility.* This fund contains revenue from the \$6 million Gross Receipts Tax subordinate 1997-A bond, designated for the construction of the new Sheriff and Fire Facility. This facility is essentially complete and the current fiscal year budget expends the remainder of bond proceeds from construction and building fixtures. Debt is retired on this bond in the GRT Building Revenue Debt Service Fund.

*Bond Proceeds Fire Tax.* This fund contains revenue from the \$2.2 million Fire Protection Bond, designated for construction of Fire facilities and the purchase of fire fighting equipment. Debt retirement of this bond is through payments from the ¼ cent Fire Excise Tax on Gross Receipts in the Fire Tax Debt Service Fund.

*2001 General Obligation Bond Proceeds.* The General Obligation Bond Series 2001 was a \$8.5 million bond issue of which \$4.5 million is for the purpose of buying land, construction, remodeling and making additions to County buildings used for public safety purposes and for fire equipment and facilities. \$4.0 million of the bond is for buying land and construction buildings for public works (road maintenance, solid waste). The debt on this bond is paid through property taxes through the General Obligation Bond Debt Service Fund.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit D-1  
Page 1 of 2

Non Major Capital Projects Funds  
Combining Balance Sheet

June 30, 2005

ASSETS	<u>Road Projects</u>	<u>Special Appropriations and other Projects</u>	<u>CDBG</u>	<u>GO Bond Proceeds Roads - 1997</u>	<u>NMFA Loan Proceeds</u>
Equity in pooled cash and investments - restricted	\$ -	\$ -	\$ -	\$ 655,350	\$ 69,546
Grantor receivables	1,549,330	389,164	92,834	-	-
Taxes receivable and special assessments	311,027	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b><u>\$ 1,860,357</u></b>	<b><u>\$ 389,164</u></b>	<b><u>\$ 92,834</u></b>	<b><u>\$ 655,350</u></b>	<b><u>\$ 69,546</u></b>
 <b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenditures	\$ 80,574	\$ -	\$ -	\$ -	\$ 18,142
Due to other funds	510,861	156,960	67,834	-	-
<b>Total liabilities</b>	<b><u>591,435</u></b>	<b><u>156,960</u></b>	<b><u>67,834</u></b>	<b><u>-</u></b>	<b><u>18,142</u></b>
<b>Fund Balance:</b>					
Reserved for encumbrances	445,175	117,594	-	14,014	-
Designated for capital improvements	823,747	114,610	-	641,336	51,404
Unreserved fund balance (deficit)	-	-	25,000	-	-
<b>Total fund balance (deficit)</b>	<b><u>1,268,922</u></b>	<b><u>232,204</u></b>	<b><u>25,000</u></b>	<b><u>655,350</u></b>	<b><u>51,404</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 1,860,357</u></b>	<b><u>\$ 389,164</u></b>	<b><u>\$ 92,834</u></b>	<b><u>\$ 655,350</u></b>	<b><u>\$ 69,546</u></b>

(Continued)

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Capital Projects Funds  
Combining Balance Sheet (Continued)

June 30, 2005

	Open Space Bond Proceeds	Bond Proceeds Facility	Bond Proceeds Fire Tax	2001 General Obligation Bond Proceeds	Totals
<b>ASSETS</b>					
Equity in pooled cash and investments - restricted	\$ 4,923,271	\$ 567,115	\$ 55,012	\$ 6,215,515	\$ 12,485,809
Grantor receivables	-	-	-	-	2,031,328
Taxes receivable	-	-	-	-	311,027
Interest receivable	12,645	-	-	13,802	26,447
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 4,935,916</b>	<b>\$ 567,115</b>	<b>\$ 55,012</b>	<b>\$ 6,229,317</b>	<b>\$ 14,854,611</b>
<b>LIABILITIES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenditures	\$ 931	\$ -	\$ -	\$ -	\$ 99,647
Due to other funds	-	-	5,719	-	741,374
<b>Total liabilities</b>	<b>931</b>	<b>-</b>	<b>5,719</b>	<b>-</b>	<b>841,021</b>
<b>Fund Balance:</b>					
Reserved for encumbrances	324,103	16,298	-	78,477	995,661
Designated for capital improvements	4,610,882	550,817	49,293	6,150,840	12,992,929
Unreserved fund balance (deficit)	-	-	-	-	25,000
<b>Total fund balance (deficit)</b>	<b>4,934,985</b>	<b>567,115</b>	<b>49,293</b>	<b>6,229,317</b>	<b>14,013,590</b>
<b>Total liabilities and fund balance</b>	<b>\$ 4,935,916</b>	<b>\$ 567,115</b>	<b>\$ 55,012</b>	<b>\$ 6,229,317</b>	<b>\$ 14,854,611</b>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit D-2  
Page 1 of 2

Non Major Capital Projects Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2005

	Road Projects	Special Appropriations and Other Projects	CDBG	GO Bond Proceeds Road 1997	NMFA Loan Proceeds
Revenues:					
Taxes and special assessments	\$ 84,137	\$ -	\$ -	\$ -	\$ -
Interest	23,531	-	-	7,724	1,443
State and federal grants	1,432,400	308,833	65,548	-	-
Other	149,061	-	-	-	-
Total revenues	<u>1,689,129</u>	<u>308,833</u>	<u>65,548</u>	<u>7,724</u>	<u>1,443</u>
Expenditures:					
General government	-	379,227	-	-	50,000
Highways and streets	1,693,077	-	-	121,085	-
Health and welfare	-	-	60,548	-	-
Recreation	-	-	-	-	-
Public safety	-	-	-	-	-
Total expenditures	<u>1,693,077</u>	<u>379,227</u>	<u>60,548</u>	<u>121,085</u>	<u>50,000</u>
Excess (deficiency) of revenues over expenditures	<u>(3,948)</u>	<u>(70,394)</u>	<u>5,000</u>	<u>(113,361)</u>	<u>(48,557)</u>
Other financing sources (uses)					
Operating transfers in	225,058	36,500	-	-	-
Operating transfers out	(542,950)	-	-	(7,724)	-
Total other financing sources (uses)	<u>(317,892)</u>	<u>36,500</u>	<u>-</u>	<u>(7,724)</u>	<u>-</u>
Net change in fund balances	<u>(321,840)</u>	<u>(33,894)</u>	<u>5,000</u>	<u>(121,085)</u>	<u>(48,557)</u>
Fund balance (deficit), beginning of year	1,590,762	266,098	20,000	776,435	99,961
Fund balance (deficit), end of year	<u>\$ 1,268,922</u>	<u>\$ 232,204</u>	<u>\$ 25,000</u>	<u>\$ 655,350</u>	<u>\$ 51,404</u>

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit D-2  
Page 2 of 2

Non Major Capital Projects Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended June 30, 2005

	Open Spaces Bond Proceeds	Bond Proceeds Facility	Bond Proceeds Fire Tax	2001 General Obligations Bond Proceeds	Totals
Revenues:					
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ 84,137
Interest	128,692	12,069	5,747	140,463	319,669
State and federal grants	-	-	-	-	1,806,781
Other	-	-	-	-	149,061
Total revenues	<u>128,692</u>	<u>12,069</u>	<u>5,747</u>	<u>140,463</u>	<u>2,359,648</u>
Expenditures:					
General government	-	107,944	-	9,229	546,400
Highway and streets	-	-	-	-	1,814,162
Health and welfare	-	-	-	-	60,548
Recreation	1,174,967	-	-	-	1,174,967
Public safety	-	-	-	-	-
Total expenditures	<u>1,174,967</u>	<u>107,944</u>	<u>-</u>	<u>9,229</u>	<u>3,596,077</u>
Excess (deficiency) of revenues over expenditures	<u>(1,046,275)</u>	<u>(95,875)</u>	<u>5,747</u>	<u>131,234</u>	<u>(1,236,429)</u>
Other financing sources (uses)					
Operating transfers in	-	-	-	-	261,558
Operating transfers out	-	-	-	(125,000)	(675,674)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125,000)</u>	<u>(414,116)</u>
Net change in fund balances	<u>(1,046,275)</u>	<u>(95,875)</u>	<u>5,747</u>	<u>6,234</u>	<u>(1,650,545)</u>
Fund balance (deficit), beginning of year	<u>5,981,260</u>	<u>662,990</u>	<u>43,546</u>	<u>6,223,083</u>	<u>15,664,135</u>
Fund balance (deficit), end of year	<u>\$ 4,934,985</u>	<u>\$ 567,115</u>	<u>\$ 49,293</u>	<u>\$ 6,229,317</u>	<u>\$ 14,013,590</u>

The accompanying notes are an integral part of this statement.



STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Capital Projects Funds  
Combining Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2005

	Road Projects			Special Appropriations and Other Projects			CDBG			Variance- Favorable (Unfavorable)		
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)	Original Budget		Final Budget	Actual
<b>Revenues:</b>												
Taxes and special assessments	\$ -	\$ -	\$ 84,155	\$ 84,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	23,513	23,513	-	-	-	-	-	-	-	-
Federal and State grants	2,352,154	2,773,432	388,354	(2,385,078)	-	3,813,251	1,775,949	(2,037,302)	-	-	119,410	119,410
Other	32,421	32,421	164,403	131,982	-	-	-	-	-	-	-	-
Total revenues	2,384,575	2,805,853	\$ 660,425	\$ (2,145,428)	-	3,813,251	\$ 1,775,949	\$ (2,037,302)	-	-	\$ 119,410	\$ 119,410
Cash balance carryforward	549,834	1,149,682	-	-	-	119,108	-	-	-	60,548	-	-
Total	\$ 2,934,409	\$ 3,955,535	\$ -	\$ -	\$ -	\$ 3,932,359	\$ -	\$ -	\$ -	\$ 60,548	\$ -	\$ -
<b>Expenditures:</b>												
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,968,859	\$ 497,793	\$ 3,471,066	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-
Highway and streets	2,501,409	3,637,643	2,125,190	1,512,453	-	-	-	-	-	-	60,548	60,548
Total expenditures	\$ 2,501,409	\$ 3,637,643	\$ 2,125,190	\$ 1,512,453	\$ -	\$ 3,968,859	\$ 497,793	\$ 3,471,066	\$ -	\$ 60,548	\$ 60,548	\$ -
<b>Other financing sources (uses)</b>												
Operating transfers in	\$ -	\$ 225,058	\$ 225,058	\$ -	\$ -	\$ 36,500	\$ 36,500	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers out	(433,000)	(542,950)	(542,950)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ (433,000)	\$ (317,892)	\$ (317,892)	\$ -	\$ -	\$ 36,500	\$ 36,500	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Capital Projects Funds  
Combining Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Budgetary Basis) (Continued)

Year Ended June 30, 2005

	GO Bond Proceeds Roads - 1997			NMFA Loan Proceeds			Open Space Bonds Proceeds			Variance- Favorable (Unfavorable)	
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Original Budget	Final Budget		Actual
<b>Revenues:</b>											
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	7,800	7,724	(76)	-	-	1,443	-	-	128,692	128,692
Federal and State grants	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	7,800	7,724	(76)	-	50,000	1,443	-	5,856,345	128,692	128,692
Cash balance carryforward	-	776,284	-	-	-	50,000	-	-	5,856,345	-	-
Total	\$ -	\$ 784,084	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 1,443	\$ -	\$ 5,856,345	\$ 128,692	\$ 128,692
<b>Expenditures:</b>											
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	-	-	-	5,856,345	1,499,070	4,357,275
Public safety	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-
Highway and streets	-	776,284	135,099	641,185	-	-	-	-	-	-	-
Total expenditures	\$ -	\$ 776,284	\$ 135,099	\$ 641,185	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ 5,856,345	\$ 1,499,070	\$ 4,357,275
<b>Other financing sources (uses)</b>											
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	(7,800)	(7,724)	76	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ (7,800)	\$ (7,724)	\$ 76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Capital Projects Funds  
Combining Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Budgetary Basis) (Continued)

Year Ended June 30, 2005

	Bond Proceeds Facility			Bond Proceeds - Fire Tax			2001 General Obligation Bond Proceeds			Variance-Favorable (Unfavorable)	
	Original Budget	Final Budget	Actual	Variance-Favorable (Unfavorable)	Original Budget	Final Budget	Actual	Original Budget	Final Budget		Actual
<b>Revenues:</b>											
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	12,069	12,069	-	-	5,747	-	125,000	140,463	15,463
Federal and State grants	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	-	\$ 12,069	\$ 12,069	-	-	\$ 5,747	-	125,000	\$ 140,463	\$ 15,463
Cash balance carryforward	382,769	507,014	-	12,069	-	-	-	6,016,881	6,098,881	-	-
Total	\$ 382,769	\$ 507,014	\$ -	\$ 382,771	\$ -	\$ -	\$ 5,747	\$ 6,016,881	\$ 6,223,881	\$ 87,706	\$ 6,011,175
<b>Expenditures:</b>											
General government	\$ 382,769	\$ 507,014	\$ 124,243	\$ 382,771	\$ -	\$ -	\$ -	\$ 6,016,881	\$ 6,098,881	\$ 87,706	\$ 6,011,175
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-
Highway and streets	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 382,769	\$ 507,014	\$ 124,243	\$ 382,771	\$ -	\$ -	\$ -	\$ 6,016,881	\$ 6,098,881	\$ 87,706	\$ 6,011,175
<b>Other financing sources (uses)</b>											
Operating sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-	-	-	-	-	(125,000)	(125,000)	-
Operating transfers out	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (125,000)	\$ (125,000)	\$ -

STATE OF NEW MEXICO  
SANTA FE COUNTY

**Non Major Capital Projects Funds**  
**Combining Statement of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Budgetary Basis) (Continued)**

Year Ended June 30, 2005

	Totals (Memorandum Only)			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes and special assessments	\$ -	\$ -	\$ 84,155	\$ 84,155
Interest earnings	-	132,800	319,651	186,851
Federal grants and state grants	2,352,154	6,586,683	2,283,713	(4,302,970)
Other	32,421	32,421	164,403	131,982
	<u>2,384,575</u>	<u>6,751,904</u>	<u>\$ 2,851,922</u>	<u>\$ (3,899,982)</u>
Cash balance carryforward	6,949,484	14,617,862		
	<u>\$ 9,334,059</u>	<u>\$ 21,369,766</u>		
<b>Expenditures:</b>				
General government	\$ 6,399,650	\$ 10,624,754	\$ 759,742	\$ 9,865,012
Culture and recreation	-	5,856,345	1,499,070	4,357,275
Public safety	-	-	-	-
Health and welfare	-	60,548	60,548	-
Highway and street	2,501,409	4,413,927	2,260,289	2,153,638
	<u>\$ 8,901,059</u>	<u>\$ 20,955,574</u>	<u>\$ 4,579,649</u>	<u>\$ 16,375,925</u>
<b>Other financing sources (uses)</b>				
Operating transfers in	\$ -	\$ 261,558	\$ 261,558	\$ -
Operating transfers out	(433,000)	(675,750)	(675,674)	76
	<u>\$ (433,000)</u>	<u>\$ (414,192)</u>	<u>\$ (414,116)</u>	<u>\$ 76</u>

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**AGENCY FUNDS**

Agency Funds - The County established these agency funds to account for assets held for others.

County Treasurer

To account for collections and payment to the County and other recipient entities of property taxes, interest and penalties billed and collected by the County on their behalf.

Sheriff's Bond Fund

To account for bond monies held by the County until legal disposition of the appropriate case.

Writ Fund

To account for court judgments issued to the sheriff's department to collect monies or remove property in satisfaction of said judgments.

Confiscated Property

To account for assets confiscated during arrests pursuant to Section 30-31-1-1, NMSA, 1978 Compilation. Property is held until disposed of pursuant to court order.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit E-1

Agency Funds  
Combining Balance Sheet

June 30, 2005

ASSETS

	County Treasurer	Sheriff's Bond Fund	Writ Fund	Confiscated Property	Totals
Equity in pooled cash and investments - restricted	\$ 1,541,855	\$ 330,817	\$ 5,152	\$ 43,375	\$ 1,921,199
Taxes receivable	5,151,317	-	-	-	5,151,317
Total assets	<u>\$ 6,693,172</u>	<u>\$ 330,817</u>	<u>\$ 5,152</u>	<u>\$ 43,375</u>	<u>\$ 7,072,516</u>

LIABILITIES

Due to other governments	\$ 5,151,317	\$ -	\$ -	\$ -	\$ 5,151,317
Taxes paid in advance	959,512	-	-	-	959,512
Deposits held for others	-	330,817	5,152	43,375	379,344
Undistributed taxes to other governments	582,343	-	-	-	582,343
Total liabilities	<u>\$ 6,693,172</u>	<u>\$ 330,817</u>	<u>\$ 5,152</u>	<u>\$ 43,375</u>	<u>\$ 7,072,516</u>

The accompanying notes are an integral part of this financial statement.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit E-2  
Page 1 of 2

**Agency Funds  
Combining Statement of Changes in Assets and Liabilities**

**Year Ended June 30, 2005**

	<u>June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2005</u>
<b>COUNTY TREASURER</b>				
Assets:				
Equity in pooled cash and investments - restricted	\$ 1,604,506	\$ 84,963,055	\$ 85,025,706	\$ 1,541,855
Property taxes receivable (1)	<u>5,359,106</u>	<u>84,755,266</u>	<u>84,963,055</u>	<u>5,151,317</u>
<b>Total assets</b>	<u><u>\$ 6,963,612</u></u>	<u><u>\$ 169,718,321</u></u>	<u><u>\$ 169,988,761</u></u>	<u><u>\$ 6,693,172</u></u>
Liabilities:				
Due to other governments	\$ 5,359,106	\$ 84,755,266	\$ 84,963,055	\$ 5,151,317
Overpayments and taxes paid in advance	861,493	743,013	644,994	959,512
Due to other funds	270,124	30,339,664	30,609,788	-
Undistributed taxes to other governments	<u>472,889</u>	<u>53,880,378</u>	<u>53,770,924</u>	<u>582,343</u>
<b>Total liabilities</b>	<u><u>\$ 6,963,612</u></u>	<u><u>\$ 169,718,321</u></u>	<u><u>\$ 169,988,761</u></u>	<u><u>\$ 6,693,172</u></u>
 <b>SHERIFF'S BOND FUND</b>				
Assets - Equity in pooled cash and investments - restricted	<u>\$ 319,158</u>	<u>\$ 851,753</u>	<u>\$ 840,094</u>	<u>\$ 330,817</u>
Liabilities - Deposits held for others	<u>\$ 319,158</u>	<u>\$ 851,753</u>	<u>\$ 840,094</u>	<u>\$ 330,817</u>
 <b>WRIT FUND</b>				
Assets - Equity in pooled cash and investments - restricted	<u>\$ 5,022</u>	<u>\$ 69,409</u>	<u>\$ 69,279</u>	<u>\$ 5,152</u>
Liabilities - Deposits held for others	<u>\$ 5,022</u>	<u>\$ 69,409</u>	<u>\$ 69,279</u>	<u>\$ 5,152</u>

(1) 2004 balance reclassified to exclude the County's share of property taxes.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit E-2  
Page 2 of 2

Agency Funds  
Combining Statement of Changes in Assets and Liabilities (Continued)

Year Ended June 30, 2005

	<u>June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2005</u>
<b>CONFISCATED PROPERTY</b>				
Assets - Equity in pooled cash and investments - restricted	\$ 43,441	\$ 185	\$ 251	\$ 43,375
Liabilities - Deposits held for others	\$ 43,441	\$ 185	\$ 251	\$ 43,375
<b>TOTALS ALL AGENCY FUNDS</b>				
<b>Assets:</b>				
Equity in pooled cash and investments - restricted	\$ 1,972,127	\$ 85,884,402	\$ 85,935,330	\$ 1,921,199
Property taxes receivable	5,359,106	84,755,266	84,963,055	5,151,317
Total assets	<u>\$ 7,331,233</u>	<u>\$ 170,639,668</u>	<u>\$ 170,898,385</u>	<u>\$ 7,072,516</u>
<b>Liabilities:</b>				
Due to other governments	\$ 5,359,106	\$ 84,755,266	\$ 84,963,055	\$ 5,151,317
Overpayments and taxes paid in advance	861,493	743,013	644,994	959,512
Deposits held for others	367,621	921,347	909,624	379,344
Due to other funds	270,124	30,339,664	30,609,788	-
Undistributed taxes to other governments	472,889	53,880,378	53,770,924	582,343
Total liabilities	<u>\$ 7,331,233</u>	<u>\$ 170,639,668</u>	<u>\$ 170,898,385</u>	<u>\$ 7,072,516</u>

The accompanying notes are an integral part of this financial statement.



**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit F-1  
Page 1 of 5

Enterprise Funds  
Combining Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2005

	Housing Services			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:				
Facilities rental and charges for services	\$ 309,000	\$ 309,000	\$ 315,623	\$ 6,623
Water sales	-	-	-	-
Other revenues	-	-	3,163	3,163
Total Revenues	309,000	309,000	318,786	\$ 9,786
Cash balance carryforward	103,865	163,834		
Total	\$ 412,865	\$ 472,834		
Operating expenditures:				
Public safety	\$ -	\$ -	-	\$ -
Health and welfare	1,218,459	1,384,279	1,235,257	149,022
Total operating expenditures	\$ 1,218,459	\$ 1,384,279	1,235,257	\$ 149,022
Total operating income (loss)			(916,471)	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	\$ -
HUD operating subsidy and other federal funds	468,346	468,346	404,961	(63,385)
Transfers in (out)	337,248	443,099	443,099	-
Total non-operating revenues (expenses)	\$ 805,594	\$ 911,445	848,060	\$ (63,385)
Net income (loss) - Budgetary basis			(68,411)	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			201,717	
To record contributed capital not recorded as budgetary revenue			48,383	
To record audit adjustment for revenue			37,242	
To record interest expense			(358,248)	
Audit entry to increase reserve for uncollectible receivables			(1,135)	
Capital outlay expenditures expensed for budgetary purposes			-	
Depreciation and amortization expenses not recorded as budgetary expenditures			(247,587)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			40,928	
Reversal of prior year accruals			15,469	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Contribution of assets to the Home Sales fund			(451,100)	
Change in net assets - GAAP basis			\$ (782,742)	

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit F-1  
Page 2 of 5

Enterprise Funds  
Combining Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Budgetary Basis) (Continued)

Year Ended June 30, 2005

	Utilities Department			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 976,055	\$ 976,055	\$1,304,770	\$ 328,715
Water sales	-	-	-	-
Other revenues	-	-	5,648	5,648
Total Revenues	<u>976,055</u>	<u>976,055</u>	<u>1,310,418</u>	<u>\$ 334,363</u>
Cash balance carryforward	<u>107,368</u>	<u>264,674</u>		
Total	<u>\$ 1,083,423</u>	<u>\$ 1,240,729</u>		
Operating expenditures:				
Public safety	\$ 1,272,446	\$ 1,647,452	1,384,699	\$ 262,753
Health and welfare	-	-	-	-
Total operating expenditures	<u>\$ 1,272,446</u>	<u>\$ 1,647,452</u>	<u>1,384,699</u>	<u>\$ 262,753</u>
Total operating income (loss)			<u>(74,281)</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ 12,641	\$ 12,641	21,131	\$ 8,490
HUD operating subsidy and other federal funds	-	217,700	-	(217,700)
Transfers in (out)	<u>176,382</u>	<u>176,382</u>	<u>176,382</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>\$ 189,023</u>	<u>\$ 406,723</u>	<u>197,513</u>	<u>\$ (209,210)</u>
Net income (loss) - Budgetary basis			123,232	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			1,653,556	
To record audit adjustment for revenue			-	
To record interest expense			-	
Audit entry to increase reserve for uncollectible receivables			-	
Capital outlay expenditures expensed for budgetary purposes			241,949	
Depreciation and amortization expenses not recorded as budgetary expenditures			(210,894)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			97,390	
Reversal of prior year accruals			(229,487)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Contribution of assets to the Home Sales fund			-	
Change in net assets - GAAP basis			<u>\$1,675,746</u>	

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit F-1  
Page 3 of 5

Enterprise Funds  
Combining Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Budgetary Basis) (Continued)

Year Ended June 30, 2005

	Santa Fe County Jail Facility			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 6,740,945	\$ 7,115,445	\$ 8,796,099	\$ 1,680,654
Water sales	-	-	-	-
Other revenues	-	-	25,317	25,317
Total Revenues	6,740,945	7,115,445	8,821,416	\$ 1,705,971
Cash balance carryforward	262,613	3,927,394		
Total	\$ 7,003,558	\$11,042,839		
Operating expenditures:				
Public safety	\$13,959,392	\$21,206,286	20,701,790	\$ 504,496
Health and welfare	1,933,146	-	-	-
Total operating expenditures	\$15,892,538	\$21,206,286	20,701,790	\$ 504,496
Total operating income (loss)			(11,880,374)	
Non-operating revenues (expenses):				
Interest on investments	\$ 150,000	\$ 150,000	154,651	\$ 4,651
HUD operating subsidy and other federal funds	24,381	470,308	24,473	(445,835)
Transfers in (out)	8,714,599	9,543,139	9,543,139	-
Total non-operating revenues (expenses)	\$ 8,888,980	\$10,163,447	9,722,263	\$ (441,184)
Net income (loss) - Budgetary basis			(2,158,111)	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			-	
To record audit adjustment for revenue			216,413	
To adjust interest expense			-	
Audit entry to increase reserve for uncollectible accounts			-	
Capital outlay expenditures expensed for budgetary purposes			804,296	
Depreciation and amortization expenses not recorded as budgetary expenditures			(924,321)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			4,481,547	
Reversal of prior year accruals			(112,654)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			365,000	
Contribution of assets to the Home Sales fund			-	
Change in net assets - GAAP basis			\$ 2,672,170	

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit F-1  
Page 4 of 5

Enterprise Funds  
Combining Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Budgetary Basis) (Continued)

Year Ended June 30, 2005

	Regional Planning Authority			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Operating revenues:				
Facilities rental and charges for services	\$ -	\$ -	\$ -	\$ -
Water sales	-	-	-	-
Other revenues	100,000	100,000	76,844	(23,156)
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>76,844</u>	<u>\$ (23,156)</u>
Cash balance carryforward	-	15,147		
Total	<u>\$ 100,000</u>	<u>\$ 115,147</u>		
Operating expenditures:				
Public safety	\$ 200,000	\$ 215,147	59,932	\$ 155,215
Health and welfare	-	-	-	-
Total operating expenditures	<u>\$ 200,000</u>	<u>\$ 215,147</u>	<u>59,932</u>	<u>\$ 155,215</u>
Total operating income (loss)			<u>16,912</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	\$ -
HUD operating subsidy and other federal funds	-	-	-	-
Transfers in (out)	100,000	100,000	100,000	-
Total non-operating revenues (expenses)	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>100,000</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			116,912	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			-	
To accrue audit adjustment for revenue			11,070	
To record interest expense			-	
Audit entry to increase reserve for uncollectible accounts			-	
Capital outlay expenditures expensed for budgetary purposes			-	
Depreciation and amortization expenses not recorded as budgetary expenditures			(2,693)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			20,776	
Reversal of prior year accruals			(76,844)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Contribution of assets to the Home Sales fund			-	
Change in net assets - GAAP basis			<u>\$ 69,221</u>	

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit F-1  
Page 5

Enterprise Funds  
Combining Statement of Revenues and Expenditures  
Budget and Actual (Non-GAAP Budgetary Basis) (Continued)

Year Ended June 30, 2005

	Totals (Memorandum Only)			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 8,026,000	\$ 8,400,500	\$10,416,492	\$ 2,015,992
Water sales	-	-	-	-
Other revenues	100,000	100,000	110,972	10,972
Total Revenues	<u>8,126,000</u>	<u>8,500,500</u>	<u>10,527,464</u>	<u>\$ 2,026,964</u>
Cash balance carryforward	<u>473,846</u>	<u>4,371,049</u>		
Total	<u>\$ 8,599,846</u>	<u>\$ 12,871,549</u>		
Operating expenditures:				
Public safety	\$ 15,431,838	\$ 23,068,885	22,146,421	\$ 922,464
Health and welfare	3,151,605	1,384,279	1,235,257	149,022
Total operating expenditures	<u>\$ 18,583,443</u>	<u>\$ 24,453,164</u>	<u>23,381,678</u>	<u>\$ 1,071,486</u>
Total operating income (loss)			<u>(12,854,214)</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ 162,641	\$ 162,641	175,782	\$ 13,141
HUD operating subsidy and other federal funds	-	1,156,354	429,434	(726,920)
Transfers in (out)	<u>9,328,229</u>	<u>10,262,620</u>	<u>10,262,620</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>\$ 9,490,870</u>	<u>\$ 11,581,615</u>	<u>10,867,836</u>	<u>\$ (713,779)</u>
Net income - Budgetary basis			(1,986,378)	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			201,717	
To record contributed capital not recorded as budgetary revenue			1,701,939	
To record audit adjustment for revenue			264,725	
To record interest expense			(358,248)	
Audit entry to increase reserve for uncollectible accounts			(1,135)	
Capital outlay expenditures expensed for budgetary purposes			1,046,245	
Depreciation and amortization expenses not recorded as budgetary expenditures			(1,385,495)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			4,640,641	
Reversal of prior year accruals			(403,516)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			365,000	
Contribution of assets to the Home Sales fund			<u>(451,100)</u>	
Net income - GAAP basis			<u>\$ 3,634,395</u>	

The accompanying notes are an integral part of this statement.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

G-1

Schedule of Reconciliation of Tax Receipts, Disbursements and Property Tax Receivable

Year Ended June 30, 2005

Property taxes receivable, July 1, 2004	\$ 8,480,534
Net taxes charged to Treasurer	84,638,470
Net adjustments and other	62,628
Collections	<u>(84,963,055)</u>

Property taxes receivable, June 30, 2005	<u>\$ 8,218,577</u>
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Property taxes receivable as of June 30, 2005,  
Property taxes receivable by year:

1995	\$ 46,073
1996	59,857
1997	61,816
1998	113,155
1999	162,185
2000	252,078
2001	389,371
2002	784,737
2003	1,556,680
2004	<u>4,792,625</u>

Total taxes receivable, net	<u>\$ 8,218,577</u>
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Distribution of collected property taxes:

Santa Fe County	\$ 30,246,357
State of New Mexico	4,565,161
Edgewood Soil and Water	112,298
City of Santa Fe	1,645,638
City of Española	107,558
Santa Fe Community College	13,688,662
School Districts	32,711,736
El Dorado Water & Sanitation	680,218
Livestock	10,646
Rancho Viejo Improvement District	<u>249,006</u>

Total tax distribution	<u>\$ 84,017,280</u>
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Property taxes receivable distribution:

Santa Fe County	\$ 3,061,313
State of New Mexico	494,867
Edgewood Soil & Water	20,000
City of Santa Fe	150,377
City of Española	16,680
Santa Fe Community College	1,232,737
School Districts	3,209,091
El Dorado Water & Sanitation	20,857
Livestock	6,708
Rancho Viejo Improvement District - Component unit of the County	<u>5,947</u>

Total	<u>\$ 8,218,577</u>
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STATE OF NEW MEXICO  
SANTA FE COUNTY

G-2

Schedule of Property Taxes

June 30, 2005

AGENCY	Property Tax Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
<b>STATE OF NEW MEXICO:</b>							
State Debt - 1995	\$ 3,451,270	\$ 574	3,447,654	575	3,447,654	-	3,616
State Debt - 1996	4,299,842	972	4,294,248	960	4,294,236	11	5,593
State Debt - 1997	4,183,337	1,093	4,178,287	1,079	4,178,273	14	5,051
State Debt - 1998	4,430,995	2,631	4,421,732	2,582	4,421,683	49	9,263
State Debt - 1999	4,784,259	7,532	4,772,030	6,251	4,770,749	1,281	12,230
State Debt - 2000	5,281,631	13,744	5,262,140	12,219	5,260,615	1,525	19,491
State Debt - 2001	6,372,969	35,440	6,339,400	32,201	6,336,162	3,239	33,568
State Debt - 2002	4,256,914	48,754	4,212,203	45,108	4,208,557	3,646	44,711
State Debt - 2003	6,145,162	261,787	6,031,653	252,968	6,022,835	8,819	113,508
State Debt -2004	4,493,374	4,245,539	4,245,539	4,211,218	4,211,218	34,321	247,836
Total State Debt	47,699,753	4,618,066	47,204,886	4,565,161	47,151,982	52,905	494,867
Livestock Board -1995	17,384	-	17,321	-	17,319	-	64
Livestock Board -1996	16,384	-	16,340	-	16,340	-	44
Livestock Board -1997	9,666	-	9,541	-	9,541	-	125
Livestock Board -1998	17,155	37	16,840	38	16,840	-	315
Livestock Board -1999	17,842	7	17,527	5	17,527	-	315
Livestock Board -2000	17,642	19	17,143	19	17,143	-	498
Livestock Board -2001	11,819	36	11,325	22	11,311	15	494
Livestock Board -2002	12,150	63	11,457	49	11,443	14	693
Livestock Board -2003	11,142	414	10,321	400	10,307	14	821
Livestock Board - 2004	13,525	10,188	10,188	10,113	10,113	75	3,337
Total Livestock Board	144,709	10,764	138,003	10,646	137,884	118	6,706
<b>TOTAL STATE OF NEW MEXICO</b>	<b>\$ 47,844,462</b>	<b>\$ 4,628,830</b>	<b>\$ 47,342,889</b>	<b>\$ 4,575,807</b>	<b>\$ 47,289,866</b>	<b>\$ 53,023</b>	<b>\$ 501,573</b>
<b>SANTA FE COUNTY:</b>							
County Operational - 1995	\$ 10,865,100	\$ 2,323	\$ 10,850,839	\$ 2,325	\$ 10,850,840	\$ -	\$ 14,261
County Operational - 1996	11,435,597	3,227	11,417,308	3,186	11,417,267	41	18,290
County Operational - 1997	14,529,001	4,264	14,507,840	4,204	14,507,780	59	21,161
County Operational - 1998	15,788,633	9,573	15,749,225	9,379	15,749,030	194	39,408
County Operational - 1999	16,876,431	28,476	16,825,014	22,316	16,818,855	6,160	51,416
County Operational - 2000	19,735,031	53,642	19,652,343	46,243	19,644,943	7,400	82,688
County Operational - 2001	21,393,668	130,523	21,269,580	116,082	21,255,139	14,441	124,089
County Operational - 2002	22,611,826	283,688	22,356,727	258,176	22,331,216	25,511	255,099
County Operational - 2003	23,868,953	1,060,623	23,382,180	1,018,854	23,340,412	41,769	486,773
County Operational - 2004	26,150,017	24,586,042	24,586,042	24,364,244	24,364,244	221,798	1,563,974
Total County Operational	183,254,257	26,162,381	180,597,098	25,845,009	180,279,726	317,373	2,657,159

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

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Schedule of Property Taxes (Continued)

June 30, 2005

AGENCY	Property Tax Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
<b>SANTA FE COUNTY (Cont.):</b>							
County Debt Service - 1995	\$ 1,081,904	\$ 180	\$ 1,080,771	\$ 179	\$ 1,080,771	\$ -	\$ 1,134
County Debt Service - 1996	1,105,354	250	1,103,916	247	1,103,913	5	1,438
County Debt Service - 1997	1,618,428	393	1,616,385	387	1,616,379	6	2,043
County Debt Service - 1998	1,756,374	1,043	1,752,703	1,024	1,752,683	19	3,672
County Debt Service - 1999	2,411,476	3,796	2,405,312	3,151	2,404,667	645	6,164
County Debt Service - 2000	1,886,056	4,908	1,879,096	4,363	1,878,552	544	6,960
County Debt Service - 2001	2,599,755	14,457	2,586,062	13,136	2,584,740	1,321	13,693
County Debt Service - 2002	2,168,247	24,833	2,145,473	22,976	2,143,616	1,857	22,774
County Debt Service - 2003	5,603,427	238,709	5,499,925	230,668	5,491,884	8,041	103,502
County Debt Service - 2004	4,401,614	4,158,838	4,158,838	4,125,217	4,125,217	33,620	242,774
Total County Debt Service	24,632,635	4,447,407	24,228,481	4,401,348	24,182,422	46,058	404,154
<b>TOTAL SANTA FE COUNTY</b>	<b>\$ 207,886,892</b>	<b>\$ 30,609,788</b>	<b>\$ 204,825,579</b>	<b>\$ 30,246,357</b>	<b>\$ 204,462,148</b>	<b>\$ 363,431</b>	<b>\$ 3,061,313</b>
<b>MUNICIPALITIES:</b>							
City of Santa Fe - 1995	1,038,139	100	1,037,016	98	1,037,015	-	1,122
City of Santa Fe - 1996	1,088,932	178	1,087,568	178	1,087,568	-	1,363
City of Santa Fe - 1997	1,116,199	218	1,114,828	218	1,114,828	0	1,372
City of Santa Fe - 1998	1,171,724	279	1,167,929	273	1,167,922	7	3,796
City of Santa Fe - 1999	1,246,040	641	1,242,151	634	1,242,144	7	3,889
City of Santa Fe - 2000	1,304,832	1,667	1,299,244	1,632	1,299,208	36	5,589
City of Santa Fe - 2001	1,406,866	6,400	1,400,463	6,288	1,400,352	112	6,403
City of Santa Fe - 2002	1,477,541	14,061	1,465,474	13,615	1,465,028	446	12,067
City of Santa Fe - 2003	1,554,444	58,503	1,528,997	56,015	1,526,509	2,488	25,447
City of Santa Fe - 2004	1,670,180	1,580,850	1,580,850	1,566,687	1,566,687	14,163	89,330
Total City of Santa Fe	13,074,897	1,662,897	12,924,520	1,645,638	12,907,261	17,259	150,378
City of Espanola - 1995	88,072	-	87,846	-	87,846	-	224
City of Espanola - 1996	90,861	-	90,616	-	90,616	-	245
City of Espanola - 1997	89,003	3	88,721	4	88,721	-	282
City of Espanola - 1998	92,830	-	92,446	-	92,446	-	385
City of Espanola - 1999	91,087	2,255	90,707	2,255	90,707	-	380
City of Espanola - 2000	90,114	2,287	89,586	2,285	89,584	1	529
City of Espanola - 2001	94,753	2,429	93,949	2,429	93,949	-	804
City of Espanola - 2002	100,045	3,907	98,445	3,845	98,384	62	1,600
City of Espanola - 2003	94,288	7,060	91,176	7,007	91,123	53	3,112
City of Espanola - 2004	99,491	90,372	90,372	89,733	89,732	640	9,118
Total City of Espanola	930,544	108,313	913,864	107,558	913,108	756	16,679
<b>TOTAL MUNICIPALITIES</b>	<b>14,005,441</b>	<b>1,771,210</b>	<b>13,838,384</b>	<b>1,753,196</b>	<b>13,820,369</b>	<b>18,015</b>	<b>167,057</b>



STATE OF NEW MEXICO  
SANTA FE COUNTY

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Schedule of Property Taxes (Continued)

June 30, 2005

AGENCY	Property Tax Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
<b>SCHOOLS DISTRICTS:</b>							
Santa Fe Schools - 1995	\$ 14,199,372	\$ 2,464	\$ 14,184,952	\$ 2,464	\$ 14,184,952	\$ -	\$ 14,420
Santa Fe Schools - 1996	14,501,419	3,341	14,483,502	3,306	14,483,467	35	17,917
Santa Fe Schools - 1997	14,964,149	3,993	14,947,888	3,992	14,947,888	0	16,261
Santa Fe Schools - 1998	14,963,441	9,140	14,933,662	9,047	14,933,569	93	29,779
Santa Fe Schools - 1999	22,496,752	30,592	22,444,917	24,132	22,438,457	6,460	51,835
Santa Fe Schools - 2000	23,910,760	54,169	23,833,932	47,166	23,826,930	7,002	76,828
Santa Fe Schools - 2001	24,948,143	129,045	24,835,221	115,922	24,822,098	13,123	112,923
Santa Fe Schools - 2002	26,358,647	284,346	26,115,443	262,256	26,093,353	22,090	243,205
Santa Fe Schools - 2003	27,972,491	1,159,782	27,505,612	1,119,897	27,465,726	39,885	466,880
Santa Fe Schools - 2004	29,092,364	27,549,781	27,549,781	27,327,182	27,327,182	222,598	1,542,583
Total Santa Fe Public Schools	213,407,538	29,226,653	210,834,910	28,915,364	210,523,622	311,286	2,572,631
Espanola Schools - 1995	509,173	-	507,964	-	507,964	-	1,209
Espanola Schools - 1996	492,381	-	491,150	-	491,150	-	1,231
Espanola Schools - 1997	352,730	6	351,449	6	351,449	-	1,281
Espanola Schools - 1998	627,016	-	624,532	-	624,532	-	2,484
Espanola Schools - 1999	673,797	7,914	669,795	7,708	669,589	206	4,002
Espanola Schools - 2000	690,642	10,199	684,448	9,939	684,189	260	6,194
Espanola Schools - 2001	595,145	11,815	587,195	11,655	587,035	160	7,950
Espanola Schools - 2002	674,115	23,465	657,087	23,068	656,691	397	17,028
Espanola Schools - 2003	547,579	35,814	520,285	35,406	519,877	408	27,295
Espanola Schools - 2004	797,532	713,138	713,138	707,439	707,439	5,699	84,394
Total Espanola Schools	5,960,110	802,351	5,807,043	795,221	5,799,915	7,130	153,068
Pojoaque Schools - 1995	873,205	65	872,505	65	872,505	-	701
Pojoaque Schools - 1996	905,576	282	904,149	264	904,131	18	1,427
Pojoaque Schools - 1997	700,230	201	698,816	176	698,791	25	1,414
Pojoaque Schools - 1998	752,030	181	750,202	155	750,176	26	1,828
Pojoaque Schools - 1999	962,079	562	958,412	546	958,397	16	3,667
Pojoaque Schools - 2000	1,355,608	3,141	1,344,256	3,118	1,344,233	23	11,352
Pojoaque Schools - 2001	1,418,545	9,308	1,402,322	8,262	1,401,275	1,046	16,223
Pojoaque Schools - 2002	1,420,332	18,553	1,384,789	15,893	1,382,129	2,660	35,543
Pojoaque Schools - 2003	1,400,546	80,494	1,348,629	76,572	1,344,707	3,922	51,917
Pojoaque Schools - 2004	1,393,632	1,280,505	1,280,505	1,264,458	1,264,458	16,047	113,127
Total Pojoaque Schools	11,181,783	1,393,292	10,944,585	1,369,509	10,920,802	23,783	237,199

STATE OF NEW MEXICO  
SANTA FE COUNTY

G-2

Schedule of Property Taxes (Continued)

June 30, 2005

AGENCY	Property Tax Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
<b>SCHOOLS DISTRICTS (Cont.):</b>							
Moriarty Schools - 1995	\$ 769,403	\$ 180	\$ 767,943	\$ 181	\$ 767,942	\$ -	\$ 1,459
Moriarty Schools - 1996	879,749	179	877,428	179	877,428	-	2,321
Moriarty Schools - 1997	1,063,031	248	1,059,529	171	1,059,452	77	3,502
Moriarty Schools - 1998	1,138,960	1,015	1,134,300	860	1,134,145	155	4,660
Moriarty Schools - 1999	1,037,130	1,981	1,030,985	1,885	1,030,889	96	6,145
Moriarty Schools - 2000	1,145,613	4,826	1,136,309	4,370	1,135,853	456	9,303
Moriarty Schools - 2001	1,228,063	8,763	1,211,087	8,495	1,210,820	268	16,976
Moriarty Schools - 2002	1,490,562	22,679	1,457,604	21,389	1,456,315	1,289	32,958
Moriarty Schools - 2003	1,507,598	75,037	1,456,180	73,003	1,454,146	2,034	51,418
Moriarty Schools - 2004	1,647,870	1,530,415	1,530,415	1,521,110	1,521,110	9,305	117,455
Total Moriarty Schools	11,907,979	1,645,323	11,661,780	1,631,643	11,648,100	13,680	246,197
Santa Fe Community College - 1995	7,382,189	1,324	7,374,450	1,326	7,374,450	-	7,736
Santa Fe Community College - 1996	7,678,679	1,830	7,668,887	1,811	7,668,868	20	9,791
Santa Fe Community College - 1997	8,180,029	2,184	8,171,000	2,184	8,170,999	-	9,029
Santa Fe Community College - 1998	8,447,765	5,173	8,430,596	5,121	8,430,544	52	17,169
Santa Fe Community College - 1999	8,886,399	12,330	8,865,046	9,605	8,862,321	2,725	21,352
Santa Fe Community College - 2000	9,493,871	21,774	9,462,402	18,837	9,459,465	2,937	31,469
Santa Fe Community College - 2001	11,612,588	61,903	11,558,317	55,296	11,551,710	6,607	54,271
Santa Fe Community College - 2002	12,132,664	134,649	12,018,222	123,622	12,007,195	11,027	114,442
Santa Fe Community College - 2003	12,802,774	536,756	12,583,005	517,529	12,563,778	19,227	219,770
Santa Fe Community College - 2004	13,809,500	13,061,794	13,061,794	12,953,330	12,953,330	108,464	747,705
Total Santa Fe Community College	100,426,458	13,839,717	99,193,719	13,688,661	99,042,660	151,059	1,232,734
<b>TOTAL SCHOOL DISTRICTS</b>	<b>\$ 342,883,868</b>	<b>\$ 46,907,336</b>	<b>\$ 338,442,037</b>	<b>\$ 46,400,398</b>	<b>\$ 337,935,099</b>	<b>\$ 506,938</b>	<b>\$ 4,441,830</b>
<b>SPECIAL DISTRICTS:</b>							
Edgewood Soil & Water Conservation - 1995	\$ 64,154	\$ 15	\$ 64,032	\$ 15	\$ 64,032	\$ -	\$ 122
Edgewood Soil & Water Conservation - 1996	73,883	15	73,688	15	73,688	-	195
Edgewood Soil & Water Conservation - 1997	89,448	21	89,153	14	89,147	6	295
Edgewood Soil & Water Conservation - 1998	93,115	83	92,734	70	92,721	13	381
Edgewood Soil & Water Conservation - 1999	122,640	233	121,915	222	121,904	11	725
Edgewood Soil & Water Conservation - 2000	134,157	564	133,068	511	133,015	53	1,089
Edgewood Soil & Water Conservation - 2001	139,318	992	137,392	962	137,362	30	1,925
Edgewood Soil & Water Conservation - 2002	99,128	1,574	96,455	1,526	96,407	48	2,673
Edgewood Soil & Water Conservation - 2003	110,975	5,493	106,710	5,367	106,584	126	4,266
Edgewood Soil & Water Conservation - 2004	112,525	104,195	104,195	103,595	103,595	600	8,329
Total Edgewood Soil & Water Conservation	1,039,343	113,185	1,019,342	112,297	1,018,455	887	20,000

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

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Schedule of Property Taxes (Continued)

June 30, 2005

AGENCY	Property Tax Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
<b>SPECIAL DISTRICTS (Cont.):</b>							
Eldorado Water & Sanitation - 1995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Eldorado Water & Sanitation - 1996	-	-	-	-	-	-	-
Eldorado Water & Sanitation - 1997	80,245	-	80,245	-	80,245	-	-
Eldorado Water & Sanitation - 1998	55,374	6	55,358	6	55,358	-	17
Eldorado Water & Sanitation - 1999	57,976	13	57,911	13	57,911	-	65
Eldorado Water & Sanitation - 2000	84,780	33	84,693	33	84,693	-	86
Eldorado Water & Sanitation - 2001	28,798	48	28,744	48	28,744	-	54
Eldorado Water & Sanitation - 2002	625,862	2,369	623,916	2,369	623,916	-	1,946
Eldorado Water & Sanitation - 2003	153,670	4,894	152,427	4,854	152,387	40	1,243
Eldorado Water & Sanitation - 2004	692,853	675,406	675,406	672,895	672,895	2,510	17,447
Total Eldorado Water & Sanitation	1,779,558	682,769	1,758,700	680,218	1,756,149	2,550	20,858
Rancho Viejo - 1995	-	-	-	-	-	-	-
Rancho Viejo - 1996	-	-	-	-	-	-	-
Rancho Viejo - 1997	-	-	-	-	-	-	-
Rancho Viejo - 1998	-	-	-	-	-	-	-
Rancho Viejo - 1999	-	-	-	-	-	-	-
Rancho Viejo - 2000	90,330	-	90,329	-	90,330	-	-
Rancho Viejo - 2001	172,703	1,514	172,703	1,516	172,703	-	-
Rancho Viejo - 2002	187,858	2,230	187,858	2,230	187,858	-	-
Rancho Viejo - 2003	214,888	9,204	214,159	9,204	214,159	-	730
Rancho Viejo - 2004	242,206	236,289	236,989	236,059	236,059	930	5,217
Total Rancho Viejo (Component unit of the County)	907,985	249,237	902,038	249,009	901,109	930	5,947
<b>TOTAL SPECIAL DISTRICTS</b>	<b>3,726,886</b>	<b>1,045,191</b>	<b>3,680,080</b>	<b>1,041,524</b>	<b>3,675,713</b>	<b>4,367</b>	<b>46,805</b>
<b>COUNTY GRAND TOTAL</b>	<b>\$ 616,347,549</b>	<b>\$ 84,962,355</b>	<b>\$ 608,128,968</b>	<b>\$ 84,017,282</b>	<b>\$ 607,183,195</b>	<b>\$ 945,774</b>	<b>\$ 8,218,578</b>

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit H-1

**Schedule of Bank Accounts**

**June 30, 2005**

	<u>Total Deposits with Bank</u>	<u>Reconciling Items</u>	<u>Reconciled Balance</u>
<b>First National Bank:</b>			
Writ Fund	\$ 7,191	\$ (2,039)	\$ 5,152
Sheriff's Bond accounts	474,308	(143,491)	330,817
Confiscated property (forfeiture)	43,375	-	43,375
Certificate of deposit	78,351	-	78,351
	<u>\$ 603,225</u>	<u>\$ (145,530)</u>	<u>\$ 457,695</u>
Guadalupe Credit Union - Certificate of deposit	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Capital One - Certificate of deposit	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Lehman Brothers Bank - Certificate of deposit	<u>\$ 99,000</u>	<u>\$ -</u>	<u>\$ 99,000</u>
Riggs Bank - Certificate of deposit	<u>\$ 97,000</u>	<u>\$ -</u>	<u>\$ 97,000</u>
Advanta Bank - Certificate of deposit	<u>\$ 99,000</u>	<u>\$ -</u>	<u>\$ 99,000</u>
MarqBank - Certificate of deposit	<u>\$ 99,000</u>	<u>\$ -</u>	<u>\$ 99,000</u>
Metropolitan National Bank - Certificate of deposit	<u>\$ 99,000</u>	<u>\$ -</u>	<u>\$ 99,000</u>
Charter Bank - Certificate of deposit	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Los Alamos National Bank - Certificate of Deposit	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
OMNI National Bank - Certificate of Deposit	<u>\$ 99,000</u>	<u>\$ -</u>	<u>\$ 99,000</u>
Vision Bank - Certificate of Deposit	<u>\$ 99,000</u>	<u>\$ -</u>	<u>\$ 99,000</u>
<b>First State Bank:</b>			
Escrow account	\$ 120,285	\$ -	\$ 120,285
Money market	7,964,791	(2,416,399)	5,548,392
Certificate of deposit	100,000	-	100,000
Warrant account	-	-	-
Lockbox	-	-	-
Treasurer's account	-	-	-
GOB series 1997	261,683	-	261,683
Inmate Welfare	38,628	-	38,628
Juvenile Trust	21,676	-	21,676
	<u>\$ 8,507,063</u>	<u>\$ (2,416,399)</u>	<u>\$ 6,090,664</u>

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit H-2

Schedule of Pledged Collateral

June 30, 2005

	First National Bank	First State Bank	Guadalupe Credit Union	Capital One	Lehman Brothers Bank	Riggs Bank	Advanta Bank	MarqBank	Metropolitan National Bank	Charter Bank	Los Alamos National Bank	OMNI National Bank	Vision Bank
Total amount of deposits (bank balances)	\$ 457,695	\$ 8,507,063	\$ 100,000	\$ 100,000	\$ 99,000	\$ 97,000	\$ 99,000	\$ 99,000	\$ 99,000	\$ 100,000	\$ 100,000	\$ 99,000	\$ 99,000
Less FDIC coverage	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total uninsured public funds	357,695	8,407,063	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50% collateral requirement	178,848	4,203,765	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pledged securities (1), (2), (3), (4) and 5	2,667,910	4,281,544	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Under secured	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pledged securities in the County's name held by the Federal Reserve													
FHLB 3.38%, matures July 21, 2008													
CUSIP 31339YVV7		2,127,433											
Federal Reserve, Kansas City													
FHLB, 3.88%, matures August 14, 2009													
CUSIP 3133X8C59		1,139,581											
Federal Reserve, Kansas City													
FHR 2857 AH, 5.00% matures December 15, 2023													
CUSIP 31395F570													
Federal Reserve, Kansas City		1,014,530											
FNMA, 5.5% matures July 1, 2031													
CUSIP 31387CSK8 held at													
Federal Reserve, Kansas City	167,910												
FHLB 6.375%, matures August 15, 2006													
CUSIP 313M9F09													
Federal Reserve, Kansas City	2,500,000												
	\$ 2,667,910	\$ 4,281,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

STATE OF NEW MEXICO  
SANTA FE COUNTY

Financial Data Schedule

Year Ended June 30, 2005

FDS Line Item No.	ASSETS					Total
	Low Rent Public Housing	Housing Services	Section 8 Vouchers	CFP Program		
	\$ 1,893,123	\$ 2,021,070	\$ 52,279	\$ -	\$ -	\$ 3,966,472
111.0	53,421	-	120,285	-	-	173,706
121.0	37,242	-	-	-	-	37,242
122.0	-	136,967	-	107,404	-	244,371
125.0	-	-	16,792	-	-	16,792
126.0	171,277	-	-	-	-	171,277
126.1	(128,435)	-	-	-	-	(128,435)
126.2	-	-	-	-	-	-
144.0	-	-	-	-	-	-
150.0	2,026,628	2,158,037	189,356	107,404	-	4,481,425
161.0	637,285	-	-	-	-	637,285
162.0	6,682,214	-	-	-	-	6,682,214
163.0	402,660	-	-	-	-	402,660
166.0	(3,572,353)	-	-	-	-	(3,572,353)
160.0	4,149,806	-	-	-	-	4,149,806
190.0	\$ 6,176,434	\$ 2,158,037	\$ 189,356	\$ 107,404	\$ -	\$ 8,631,231

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit I-1  
Page 2 of 4

Financial Data Schedule

Year Ended June 30, 2005

FDS Line Item No.	LIABILITIES AND FUND EQUITY				
	Low Rent Public Housing	Housing Services	Section 8 Vouchers	CFP Program	Total
	\$ 25,449	\$ 101,003	\$ 1,797	\$ -	\$ 128,249
	35,307	-	-	71,813	107,120
	53,421	-	120,285	-	173,706
	106,470	-	-	91,976	198,446
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
310.0	220,647	101,003	122,082	163,789	607,521
351.0	10,251,908	-	-	-	10,251,908
350.0					
300.0	10,472,555	101,003	122,082	163,789	10,859,429
508.1	(6,208,572)	-	-	-	(6,208,572)
509.1	-	-	-	-	-
510.0	-	87,195	-	-	87,195
512.1	1,912,451	1,969,839	67,274	(56,385)	3,893,179
513.0	(4,296,121)	2,057,034	67,274	(56,385)	(2,228,198)
600.0	\$ 6,176,434	\$ 2,158,037	\$ 189,356	\$ 107,404	\$ 8,631,231

STATE OF NEW MEXICO  
SANTA FE COUNT

Exhibit I-1  
Page 3 of 4

Financial Data Schedule

Year Ended June 30, 2005

FDS Line Item No.	Low Rent Public Housing	Housing Services	Section 8 Vouchers	CFP Program	Total
<b>Operating Revenues:</b>					
703.0	\$ 331,094	\$ -	\$ -	\$ -	\$ 331,094
706.0	442,203	502,932	1,920,079	411,145	3,276,359
706.1	-	-	-	-	-
711.0	3,163	3,085	2	-	6,250
715.0	201,717	-	11,674	-	213,391
716.0	-	-	-	-	-
720.0	-	-	-	-	-
700.0	<u>978,177</u>	<u>506,017</u>	<u>1,931,755</u>	<u>411,145</u>	<u>3,827,094</u>
<b>Operating expenses:</b>					
911.0	215,616	-	-	-	215,616
912.0	16,751	-	-	-	16,751
915.0	64,430	-	-	-	64,430
916.0	72,600	-	19,749	-	92,349
921.0	221,463	-	-	-	221,463
923.0	83,759	-	-	-	83,759
924.0	6,608	-	-	-	6,608
931.0	63,594	-	-	-	63,594
932.0	21,044	-	-	-	21,044
933.0	20,924	-	-	-	20,924
938.0	84,819	-	-	-	84,819
<b>Ordinary Maintenance and Operations:</b>					
941.0	196,789	-	-	-	196,789
942.0	59,356	-	-	-	59,356
943.0	-	-	-	-	-
945.0	66,578	-	-	-	66,578
952.0	-	-	-	-	-
<b>General Expenses:</b>					
961.0	-	-	-	-	-
962.0	-	543,079	-	345,717	888,796
964.0	-	-	-	-	-
966.0	1,135	-	-	-	1,135
967.0	358,248	-	-	-	358,248
969.0	<u>1,553,714</u>	<u>543,079</u>	<u>19,749</u>	<u>345,717</u>	<u>2,462,259</u>
970.0	<u>(575,537)</u>	<u>(37,062)</u>	<u>1,912,006</u>	<u>65,428</u>	<u>1,364,835</u>
<b>Non Operating Expenses:</b>					
973.0	-	-	1,687,249	-	1,687,249
974.0	247,587	-	-	-	247,587
	<u>247,587</u>	<u>-</u>	<u>1,687,249</u>	<u>-</u>	<u>1,934,836</u>
900.0	<u>1,801,301</u>	<u>543,079</u>	<u>1,706,998</u>	<u>345,717</u>	<u>4,397,095</u>
1001.0	443,099	-	-	-	443,099
1002.0	-	(66,543)	(255,325)	(131,231)	(453,099)
1008.0	<u>(402,717)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(402,717)</u>
1000.0	<u>\$ (782,742)</u>	<u>\$ (103,605)</u>	<u>\$ (30,568)</u>	<u>\$ (65,803)</u>	<u>\$ (982,718)</u>



STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit I-1  
Page 4 of 4

Financial Data Schedule  
Year Ended June 30, 2005

FDS Line Item No.	Low Rent		Section 8 Vouchers	CFP Program	Total
	Public Housing	Housing Services			
Memo Account Information					
1103.0	Beginning Equity	(3,513,379)	-	-	(3,513,379)
1120.0	Unit Months Available	2,424	2,835	-	5,259
1121.0	Number of Unit Months Leased	202	236	-	438

STATE OF NEW MEXICO  
SANTA FE COUNTY

J-1

Supplemental Schedule of Expenditures of Federal Awards

Year Ended June 30, 2005

Federal Grantor/Program Title	Federal CFDA Number	Accrued Revenue (Deferred Revenue due to Fed Agency) at June 30, 2004	Receipts	Expenditures	Accrued Revenue (Deferred Revenue due to Fed Agency) at June 30, 2005	
<b>Direct Assistance</b>						
<b>U.S. Department of Housing and Urban Development</b>						
2001 CFP *	14.872	111,072	154,823	43,751	-	
2002 CFP *	14.872	3,847	160,572	171,582	14,857	
2003 CFP *	14.872	-	106,200	198,746	92,546	
Housing Development Grant *	14.872	1,944	367,909	502,932	136,967	
Total		116,863	789,504	917,011	244,370	
Section 8 Voucher *	14.871	(90,484)	1,920,016	2,010,500	-	
Low rent subsidy *	14.850	-	404,961	442,203	37,242	
<b>Total U.S. Department of Housing and Urban Development</b>		26,379	3,114,481	3,369,714	281,612	
<b>U.S. Department of Justice:</b>						
Bureau of Justice Assistance-(SCAAP)	16.606	-	24,473	24,473	-	
Bureau of Justice Assistance	18.592	-	19,034	-	(19,034)	
Total U.S. Department of Justice		-	43,507	24,473	(19,034)	
<b>Office of National Drug Control Policy:</b>						
High Intensity Drug Trafficking Area (HIDTA)	16.unknown	19,043	193,548	257,319	82,814	
<b>U.S. Department of Health &amp; Human Services</b>						
Craft Grant - 2001	93.230	(131)	-	-	(131)	
Craft Grant - 2002	93.230	(20,806)	-	-	(20,806)	
Craft Grant - 2003	93.230	26,310	-	6,160	32,470	
<b>Total U.S. Department of Health &amp; Human Services</b>		5,373	-	6,160	11,533	
<b>U.S. Department of Education - Life Skills *</b>	84.255A	20,716	296,512	297,918	22,122	
<b>U.S. Department of Agriculture</b>	10.unknown	-	-	11,411	11,411	
<b>U.S. Environmental Protection Agency</b>	66.unknown	2,686	45,108	42,422	-	
Total Direct Assistance		74,197	3,693,156	4,009,417	390,458	
<b>Pass Through</b>						
	Pass Through Entity Identifying Number					
Department of Transportation - Traffic Safety pass through from New Mexico Department of Transportation	04-CD-31-081	20.600	51,793	49,569	40,613	42,837
U.S. Forest Service pass through from Department of Finance and Administration (DFA)	10.unknown	-	41,453	41,453	-	
U.S. Forest Service - Payment in lieu of taxes pass through from DFA	10.unknown	-	414,771	414,771	-	
U.S. Forest Service - Grazing payment pass through from DFA	10.unknown	(12,874)	822	5,000	(8,696)	
U.S. Forest Service: HAZMAT	10.unknown	(49,564)	-	33,636	(15,928)	
Department of Transportation pass through Energy, Minerals & Natural Resources: National Recreational Trails	20.unknown	-	-	17,793	17,793	
Housing and Urban Development: Community Development Block Grant - Teen Center pass through DFA	14.218	122,680	119,410	60,548	63,818	
U.S. Department of Justice: Region III grant pass through from New Mexico Department of Public Safety	03-MITF	16.579	167,788	339,574	254,759	82,973
Federal Office of Emergency Services and Security pass through from Department of Public Safety	97.042	33,719	38,276	146,090	141,533	
Total pass through assistance		313,542	1,003,875	1,014,663	324,330	
Total assistance to County		\$ 387,739	\$ 4,697,031	\$ 5,024,080	\$ 714,788	
<b>Housing Services - Notes Payable to HUD:</b>						
Loan Balance at July 1, 2004		\$ 5,268,029				
Forgiven principal in current period		(99,617)				
Loan Balance at June 30, 2005		\$ 5,168,412				

\*Major federal financial assistance program

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Notes to Supplemental Schedule of Expenditures of Federal Awards**

**June 30, 2005**

General

The accompanying Supplemental Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the State of New Mexico, Santa Fe County (the County).

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 County's financial statements. The County does not grant federal funds to sub-recipients. The only non cash federal assistance received is the forgiveness of the HUD debt of \$99,617 and interest of \$102,100 recorded in the Housing Services enterprise fund.

Relationship to Governmental Fund Financial Statements

	<u>CFDA #</u>	<u>Amount</u>
U.S. Department of Housing and Urban Development (HUD) Revenue:		
Section 8 Voucher	14.871	\$ 2,010,500
CFP Program	14.872	414,079
Housing Development accounted for in Housing Services Grant Program Fund	14.872	502,932
Low rent subsidy accounted for in Housing Services Enterprise Fund	14.850	442,203
Community Development Block Grant pass through from DFA accounted for in the CDBG Fund	14.218	60,548
U. S. Department of Transportation:		
Traffic Safety accounted for in the General Fund	20.600	40,613
National Recreational Trails passed through from Energy, Minerals and Natural Resource	20.unknown	17,793
Federal Office of Emergency Services and Security pass through from Department of Public Safety accounted in EMS Health Care Fund	97.042	146,090
U.S. Forest Service pass through accounted for in the Road Maintenance	10.unknown	41,453
U.S. Forest Service pass through accounted for in the General Fund	10.unknown	414,771
U.S. Forest Service – Grazing payment pass through DFA accounted for in the Farm and Range Fund	10.unknown	5,000
U.S. Forest Service: Hazmat accounted for in the General Fund	10.unknown	33,636
U.S. Department of Justice revenue:		
Region III accounted for in the General Fund	16.579	254,759
SCAAP accounted for in the Jail Facility Fund	16.606	24,473
Office of National Drug Control Policy HIDTA accounted for in the General Fund	16.unknown	257,319
U.S. Department of Education: Life Skills	84.255A	297,918
U.S. Environmental Protection Agency accounted for Santa Fe River Fund	66.unknown	42,422
U.S. Department of Health and Human Services: Craft Grants accounted for in the General Fund	93.230	6,160
U.S. Department of Agriculture	10.unknown	<u>11,411</u>
Total federal revenue		<u>\$ 5,024,080</u>



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**Principals**

John E. Barracough, Jr., C.P.A.  
Annette V. Hayden, C.P.A.  
Sandra M. Shell, C.P.A., C.V.A.

**Managers**

Douglas W. Fraser, C.P.A.  
Maryann Maberry, C.P.A.  
Rick W. Reynolds, C.P.A.  
Ben R. Smiley, C.P.A.  
Rhonda G. Williams, C.P.A.  
\* \* \*

Patricia A. Baca, C.P.A. Ret.  
Donald Daymon, C.P.A. Ret.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mr. Domingo P. Martinez, CGFM State Auditor  
and  
County Commissioners of the  
State of New Mexico, Santa Fe County:

Compliance

We have audited the compliance of the State of New Mexico, Santa Fe County (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County'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 County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

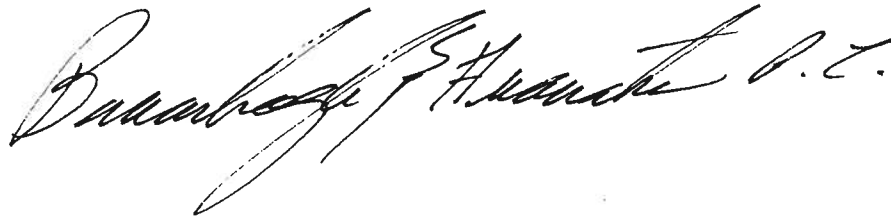
In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

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

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

This report is intended for the information and use of the County Commissioners, County's management, State of New Mexico Office of the State Auditor, federal awarding agencies, pass-through entities and is not intended to be used by anyone other than these specified parties.



October 21, 2005

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2005**

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of the State of New Mexico, Santa Fe County (the County).
2. The reportable conditions relating to the audit of the financial statements are reported in the Memorandum on Accounting Procedures and Internal Controls as findings 05-01, 05-02 and 05-03. Reportable condition 05-01 is deemed to be a material weakness.
3. No current year instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. There are no reportable conditions disclosed during the audit of the major federal award programs as reported in the Independent Auditors' Report on Compliance with requirements applicable to each major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the County expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for the County.
7. The programs tested as major programs included:

	<u>CFDA#</u>
• CFP and Housing Development Grant	14.872
• Section 8 Voucher	14.871
• Low Rent Subsidy	14.850
• Life Skills	84.255A

8. The threshold for distinguishing Types A and B programs were programs having expenditures greater than \$300,000.
9. The County was determined as a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

See Memorandum on Accounting Procedures and Internal Controls.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Schedule of Findings and Questioned Costs

June 30, 2005

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT  
REPORTABLE CONDITION

None

D. FOLLOW UP ON PRIOR YEAR SINGLE AUDIT FINDINGS

None



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\* \* \*  
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

Mr. Domingo P. Martinez, CGFM State Auditor  
and  
County Commissioners of the  
State of New Mexico, Santa Fe County

We have audited the basic financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information, as listed in the table of contents of the State of New Mexico, Santa Fe County (the County) as of and for the year ended June 30, 2005, and have issued our report thereon dated October 21, 2005. We have also audited the financial statements of each of the County's non major governmental and fiduciary funds and budgetary comparisons for the non major governmental funds and proprietary funds presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2005, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying Memorandum on Accounting Procedures and Internal Controls as item 05-01, 05-02 and 05-03.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition 05-01 described above is a material weakness.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreement, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We noted other matters that are required to be reported per section 12-65 NMSA 1978 and are described in the accompanying Memorandum on Accounting Procedures and Internal Controls as items 05-04 to 05-06.

This report is intended for the information and use of the County Commissioners, the County's management, State of New Mexico Office of the State Auditor, federal awarding agencies, pass-through entities and is not intended to be used by anyone other than these specified parties.



October 21, 2005

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Memorandum on Accounting Procedures and Internal Controls**

**June 30, 2005**

**Material Weakness – Developer Fees Fund 05-01**

Statement of Condition

The prior period restatement of \$1,426,326 of mortgages to the developer fees fund was caused by the untimely recording of non-monetary transactions which consisted of the County's mortgages from the affordable home ownership program. These mortgages were funded by a developer. The County did not provide any funds when the mortgages were originated. The County will only receive proceeds from the mortgages when the property is sold or refinanced.

The County has documentation that the 68 participants meet the County's criteria for the affordable home-ownership program. However, there was no June 30, 2005 documentation that the number of homes sold to eligible participants meet the overall sales requirement of the three specific levels of participant income criteria.

Criteria

Non-monetary accounting transactions must be recorded timely to the general ledger. The County needs to establish procedures to ensure borrowers remain eligible for this affordable home ownership program by being owner occupied residences and that the overall program goals are being achieved.

Effect

Assets of the County were not recorded timely. Also the County has not established procedures to ensure that the homebuyers remain eligible for zero interest-bearing mortgages and overall program goals are being achieved.

Cause

The Finance Department was not aware of these non-monetary transactions until the year end audit process occurred and resources were not allocated to ensure overall program goals are being meet.

Recommendation

Information relating to this program must be communicated to the Finance Department and the mortgages recorded timely on the general ledger. Written procedures relating to monitoring ongoing eligibility for this program by being owner occupied residences must be documented. The County must determine if there are any other non-monetary transactions that need to be recorded. We also recommend that additional documentation and financial analysis be required at the time of mortgage origination to ensure the participants are eligible. We recommend the County keep a copy of the participants credit reports in the files and obtain tax return information directly from the IRS. This additional information needs to be used to verify other information already obtained and to perform a financial analysis that the participants have provided all required information relating to their financial condition.

Management Response

Santa Fe County staff discovered at year-end that assets related to affordable housing had not yet been recorded. The County did have on file the purchase agreements, settlement statements, recorded mortgages and Certificates of Eligibility for each applicant for each of the homes sold through June 30, 2005. In addition, a Certificate of Compliance for each property is completed, verifying compliance with rules and regulations with regards to pricing and type of housing within the Affordable Housing Ordinance.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls

June 30, 2005

**Material Weakness – Developer Fees Fund 05-01 (Continued)**

Management Response (Continued)

The Finance Department will work with the Housing staff to ensure that all information relative to affordable housing sales is communicated and properly recorded. The two departments will work together to provide a policy and implement procedures with regard to eligibility requirements and the recording of any non-monetary transactions.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Memorandum on Accounting Procedures and Internal Controls**

**June 30, 2005**

**Reportable Condition for the Applicable Funds 05-02 Decentralized Accounting**

Statement of Condition

Many of the accounting transactions originate outside the Finance Department. This increases the risk that transactions may not be recorded timely or correctly. For example, the following transactions had to be adjusted for during the audit:

- The Jail Facility accounts receivable information is provided to the Finance Department from the jail operations contractor which has contained errors since the jail started operations. This has caused the past due accounts receivables and disputed balances at year end, which created audit adjustments. The County needs to determine the extent of the billing errors and if the approximately \$1.2 million of old receivables were even valid billings. Emphasis should also be placed on collection efforts and how adjustments to billings are prepared and recorded.
- The billing of road projects originates outside of the Finance Department and had not been timely billed until at year-end. Also many projects are not progress billed and only billed until completed. There is no system in place to ensure that all expenditures which can be billed are being billed timely to the Department of Transportation.
- Several special revenue funds had not had timely grant billing to their respective grantor agencies and resulted in adjustments to those funds. The ambulance billings detail did not agree to the general ledger at June 30, 2005 and there are substantial amounts of ambulance billings that are past due.
- Mortgages used to finance the home sales program (an enterprise fund) had not been recorded as a lien timely and had not been recorded on the County's general ledger until at year end.
- Enterprise fund accounting for the utilities, jail, housing and for home sales have grown in complicity and volume of transactions. The County accounts for these enterprise funds on a Non GAAP budgetary basis of accounting but needs to account for these funds on a full accrual basis to reflect activity like a business in its general ledger.
- Written procedures for the accounting functions have been drafted but are not completed and there is no overall accounting manual.

Criteria

Accounting transactions that originate outside the Finance Department need to be recorded properly and timely and have adequate supporting documentation. An overall accounting manual needs to be completed.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Memorandum on Accounting Procedures and Internal Controls**

**June 30, 2005**

**Reportable Condition for the Applicable Funds 05-02 Decentralized Accounting (Continued)**

Effect

Certain transactions have not been recorded properly until the year-end audit process.

Cause

Certain accounting transactions are originated by departments outside of the Finance Department.

Recommendation

To ensure that all accounting transactions are recorded properly and financial statements can be prepared in accordance with GAAP and budgetary purposes, the accounting and reporting functions must be improved. The County should implement the following recommendations:

- The newly established County internal audit position should be used to audit accounting transactions that originate outside the control of the Finance Department and revenue generating functions such as property tax, ambulance billing, road projects, franchise fees, and jail operations.
- We recommend that all accounts receivable billings and revenue recording be the responsibility of the Finance Department. A job cost accounting system for road projects needs to be established to track costs and billings for specific projects. The billing for the State's share of road projects and significant grant programs need to be done timely. The Finance department should require documentation as to the status of the road projects from the Public Works department and on a monthly basis to ensure projects are billed timely. Past due receivables need more timely collection efforts throughout the year.
- Enterprise fund activity needs to be recorded on a full accrual basis during the year to better reflect the financial status of these funds. Also the low income home sales mortgages funded by the County must be recorded as a proper lien timely and recorded to the general ledger timely.
- A complete accounting manual that includes all accounting areas will assist personnel to record transactions properly and timely.

Management Response

The County assumed operations of the Jail Facility on October 12, 2005. The County recognizes the importance and the need for improvement of the accounts receivable process. Previously we worked diligently with the contractors to resolve outstanding accounts receivable issues. The county maintained the same software system that the previous contractor utilized. Doing so will enable us to correct and make necessary adjustments to the appropriate entities to determine a valid accounts receivable value. The County will then reclassify any invalid old receivables. As the operator, the County is currently documenting procedures that will assist in collection efforts and the accurate and timely processing of any adjustments to billings.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Memorandum on Accounting Procedures and Internal Controls**

**June 30, 2005**

**Reportable Condition for the Applicable Funds 05-02 (Continued)**

Management Response (Continued)

In FY 2005, the Santa Fe County Finance Department was able to fill one Internal Auditor position and plans to have an Internal Auditor Supervisor by January 2006. The initial objectives for this position were to create a structure to adequately address the items specifically stated in this year's financial audit. With the assumption of the jail, the Internal auditor was dedicating time to the juvenile facility, the electronic monitoring program and operations of the adult facility.

The Finance Department continues to coordinate monthly reporting requirements for departments initiating billing documentation outside of Finance. Management is aware of this condition and is addressing potential options with the Finance Department in an effort to rectify this situation. Lastly, the Finance Department continues to pursue additional supporting processes in order to fully automate the project costing system. The Finance Department will continue to work with the Public Works Department to ensure timely billings. The billings for road projects are normally done upon completion of the road rather than monthly/quarterly progress billings. Finance will attempt to coordinate a billing process for road projects on a quarterly basis at a minimum to assist with timely collection efforts.

During a recent senior staff retreat, the issue of coordination of department responsibilities for the same types of transactions (i.e. billings to grantors) was discussed at length. The County recognizes this as a large area of deficiency. Management will implement a strategic plan for better coordination and operations within departments themselves. The strategic plan will also require better coordination with the Finance Department for the processing of timely billings. Timely billings will eliminate the delay of processing transactions at year-end and improve accounting and reporting functions overall.

The Finance Department is currently working with the Fire Department Accountant to correctly state ambulance billings. The receivable balance for ambulance billings has old balances that were not billed timely and are known to be uncollectible at this point. The Fire Department currently has two contractors dedicated to the ambulance billing process in addition to one full-time FTE. During FY 2006, the Finance and Fire Department staff will attempt to reclassify invalid receivables and reconcile to the general ledger.

During the fiscal year, the Finance Department tracks all information relative to the Home Sales program and records all activity to the general ledger at year-end. The Finance Department will coordinate with the Housing Department to ensure that all liens are recorded timely. The two departments will also document procedures to assist with the recording of transactions timely and properly.

The Finance Department will create a monthly procedure of reporting revenue and expenditure activity of enterprise funds on a full accrual basis so as to more accurately reflect the condition of these funds. This process will begin once specific timelines can be coordinated with the respective outside departments.

The Finance Department has draft procedures documented that need minimal revisions given accounting software updates and small programmatic changes. Once finalized, the procedures shall be taken to the Board of County Commissioners for approval to develop an accounting manual for distribution to all county staff.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Memorandum on Accounting Procedures and Internal Controls**

**June 30, 2005**

**Reportable Condition for Cash Controls 05-03**

Statement of Condition

The County has made improvements during the year in the cash controls area since last year's audit. However we noted the following items that need improvement.

- The County detected cash controls problems relating to a lack of segregation of duties in a cash trust account during the year and made corrective actions. Ongoing cash controls testwork during the year must be done by the newly established internal audit function.
- The present computer system allows cashiers in the County Treasurer's office to edit a batch and make changes without leaving an audit trail. The County has discussed this problem with their software vendor, and the vendor was not able to modify the software.
- No records of overages and shortages by cashier or by other departments or locations that accept payments are being kept.
- The Employee Benefit fund which is used for employee functions has repaid to the County the funds that were improperly deposited to this account. However the County needs to determine if the employee benefit activities should be directed through an other entity (i.e. not for profit).

Criteria

Proper controls over the receipt function need to exist at all departments and locations.

Effect

Poor controls can increase the risk of County funds to be misdirected.

Cause

Insufficient resources allocated to cash receipt function and internal audit function was just established.

Recommendation

The County should determine if a cash register type of system can be used to allow for better controls of cash receipts. Waived penalties and interest need to be recorded on the general ledger system to maintain an audit trail of amounts waived. Also the amount of cash overages and shortages also need to be recorded on the general ledger. The internal audit function must include in its scope of work cash controls and waived property tax interest and penalties. Also the County's internal audit function needs to ensure that no County funds are improperly deposited in the employee benefit account. The County should review if another entity should be used to direct County employee charitable donations.

Management Response

The Santa Fe County Finance Department in conjunction with the Treasurer's Office has reviewed the internal controls and procedures of the cash receipting function within the Treasurer's Office. Areas of good control as well as areas requiring improvement have been identified through this process. Internal meetings for this purpose will continue to create written policies and procedures. Further research into system accommodations and changes shall be conducted in order to continue the effort of rectifying the areas requiring improvements, specifically the ability to edit batches without

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls

June 30, 2005

Reportable Condition for Cash Controls 05-03 (Continued)

Management Response (Continued)

leaving an audit trail. The Treasurer's Office is currently researching the use of software compatible cash registers.

The Finance Department will work with the Treasurer's Office and outside locations accepting cash to implement procedures that will address overages and shortages. Once documented, the overages and shortages shall then be recorded to the general ledger. The internal audit staff will assist with cash controls and detecting cash control problems.

The County is still currently reviewing and pursuing the use of another entity to oversee County employee charitable donations. The County has addressed the role of the Employee Benefits Committee and the issue of appropriately depositing funds is addressed in Resolution No. 2004-66, a resolution imposing additional safeguards on the operations of the Employee Benefits Committee.



STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls

June 30, 2005

**Other Findings**

**Arbitrage Liabilities 05-04**

Statement of Condition

The County has unspent funds from 1997 (June 30, 2005 cash balance of \$655,350) and other bond issues and no arbitrage calculations have been performed on any of the bond issues. (See Exhibit D-1 for other cash balances for bond proceeds as of year end in the applicable capital project funds).

Criteria

Interest income from bond proceeds will require an arbitrage calculation to determine if any excess earnings will need to be paid to the Internal Revenue Service. The IRS has certain time frames that require the bond proceeds to be spent.

Effect

The County may owe money to the IRS for excess interest income earned or by not spending funds within IRS timetables.

Cause

Projects that are funded by bond proceeds have not progressed as originally planned and funds have not been spent.

Recommendation

An arbitrage calculation needs to be performed for the applicable bond issues. Any arbitrage rebate must be paid to the IRS no later than the end of the fifth year the bonds have been outstanding.

Management Response

Santa Fe County recognizes the importance of having an arbitrage calculation analysis performed for outstanding bond issues. The Board of County Commissioners approved professional service agreement no. 26-0302-FI/RH for the provision of arbitrage analysis services through Ernst and Young, LLC effective August 30, 2005. We are currently gathering necessary information requested from the contractor in order to perform the required analysis. This professional service agreement is renewable on an annual basis up through June 30, 2007.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Memorandum on Accounting Procedures and Internal Controls**

**June 30, 2005**

**Other Findings**

**Capital Assets 05-05**

**Statement of Condition**

- The list of County employees provided to us that have the privilege of taking a County vehicle home with them includes employees that have jobs outside the police and fire departments. Approximately 30 non police and fire employees will need to have additional compensation reported at year end based on IRS guidelines when the County vehicles are used to commute to work. The County had over 300 vehicles at June 30, 2005.
- Computer equipment with an approximate value of \$15,000 provided to the County by the Office of the Secretary of State for the voting process was not recorded by the County until the year end audit of testing its annual inventory of equipment.

**Criteria**

- IRS regulations must be followed regarding including compensation to the employees' W-2 for the commuting use of County vehicles.
- Inventory process of the County's capital assets needs to identify all applicable capitalized assets.

**Effect**

- Non compliance with IRS regulations and the State requirement to have a complete capital asset inventory.

**Cause**

- Inadequate resources were allocated to the annual capital asset inventory by some departments. 2004 W-2s did not include additional compensation for commuting use of County vehicles.

**Recommendation**

- The value of commuting and other use of County vehicles that meet IRS reporting requirements as a taxable fringe benefit must be included as compensation on the employees' W-2s.
- The annual inventory of capital assets must identify equipment provided by an outside entity.

**Management Response**

The County established an Employee Benefits Committee to assist with establishing procedures and policies to address IRS guidelines. The Finance Department is currently tracking vehicles, including take home vehicles. The procedures shall address reporting of additional compensation at year-end to non-police and non-fire employees.

The Finance Department will coordinate training sessions with all county staff to ensure that the annual inventory count includes the identification of equipment provided by outside entities. The Finance Department will implement procedures to ensure that all capital assets are included in the annual inventory count and address the ability to capture assets acquired outside of county funding sources.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls

June 30, 2005

**Other Findings**

**Disbursements 05-6**

**Statement of Condition**

During our testwork of 100 disbursements and during other audit work we noted the following exceptions.

- County policy recommends informal requests for proposals for professional service agreements under \$20,000. These should be in the form of oral or written quotes for amounts between \$501-\$3,000, or written quotes between \$3,001-\$19,999. There were five professional service agreements where no documentation of this bid process was performed.
- We were not provided documentation for three contracts over \$20,000 to verify if those contracts went through formal RFP process.
- In one instance a purchase requisition was completed on December 31, 2004 and the invoice date was November 10, 2004. Also the professional services contract was dated September 1, 2004 but not signed until December 22, 2004. Thus contracted services were performed before the purchase requisition and the signed contract date.
- There was one disbursement with no invoice or receipt to backup amount for the purchase of approximately \$1,500 from Wal-Mart.
- Gross receipt tax was not charged for professional services by a vendor. Research services are not exempt from charging gross receipts tax.
- There was a payment for satellite TV service for various County Fire Department stations which included 100 channels and premium movie channels. There is no written policy regarding the type of satellite or cable TV channels that can be purchased.

**Criteria**

The County needs to comply with its procurement policy and maintain documentation of competitive bidding. In addition the County needs to establish a policy on satellite and cable TV services.

**Effect**

Non compliance with applicable rules and regulations and insufficient written procedures.

**Cause**

Insufficient review of invoices and/or misunderstanding as to specific rules and regulations regarding disbursements.

**Recommendation**

All employees involved in the approving and disbursements function should have training regarding the various County requirements on purchasing and disbursements and maintaining documentation for competitive bidding. In addition, a written policy needs to be established regarding buying satellite and cable TV services.

**Management Response**

The County has experienced consistent staff turnover within our Purchasing Division and continuously strives to attain experienced and qualified personnel. The county will continue to train and improve staff, specifically on processes and required documentation. Added an additional staff member to assist in ensuring the placement of appropriate and verifiable documentation to the permanent files to all competitively solicited documents. In addition, we will train the accounts payable staff on additional purchasing requirements with regard to competitive bidding to eliminate any deficiencies prior to the disbursement of funds.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls

June 30, 2005

**Disbursements 05-6 (Continued)**

Management Response (Continued)

The Finance Department will continue to work with all staff, through periodic (quarterly) training sessions to address documentation requirements, procurement violations and the application of gross receipts tax. The training sessions are needed on a regular basis to address staff turnover as well as maintaining a consistent understanding of rules and regulations specific to procurement and disbursements.

The Finance Department will work with the County Fire Departments to establish a written policy regarding satellite and cable TV services. The Finance Department will also implement procedures to address purchases from vendors that do not accept purchase orders and to avoid future potential loss of tax receipts.

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

**Status of Prior Years Audit Findings**

**June 30, 2005**

**Status of Prior Year Findings**

Decentralized Accounting	Modified and reported as finding 05-02
Cash Controls	Modified and reported as finding 05-03
Arbitrage and Postclosure Cost Liability	Modified and reported as finding 05-4
Disbursements	Modified and reported as finding 05-06
Capital Assets	Modified and reported as finding 05-05
Collateral	Resolved
Employee Benefit Fund	Modified and included in cash controls 05-03
Financial Data Schedule	Resolved

STATE OF NEW MEXICO  
SANTA FE COUNTY

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EXIT CONFERENCE

An exit conference was held on November 3, 2005 to discuss the audit report and current and prior year findings. Those in attendance were as follows:

Santa Fe County:

Susan Lucero, Finance Director  
Teresa Martinez, Accounting Supervisor  
Roman Abeyta, Deputy County Manager  
Mike Anaya, County Commissioner  
Dodi Salazar, Housing Services  
Duncan Sill, Housing Services  
Frank Rendon, Deputy Finance Director

Barracough & Associates, P.C.:

John E. Barracough Jr., Managing Principal  
Douglas Fraser, Audit Manager

We acknowledge the courtesy and assistance extended to us during the course of the audit. Should you desire to discuss any of the matters further, please do not hesitate to contact us.

The financial statements were prepared by Barracough & Associates, P.C. with the assistance from Santa Fe County personnel from the books and records of Santa Fe County.

*J*  
12-17-06