

STATE OF NEW MEXICO

SANTA FE COUNTY

**Financial Statements and
Other Financial Information**

(With Independent Auditors' Reports Thereon)

Year Ended June 30, 2007



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

STATE OF NEW MEXICO
SANTA FE COUNTY

Official Roster

June 30, 2007

COUNTY COMMISSIONERS

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

Chairperson
Member
Member
Member
Member

COUNTY OFFICIALS

Greg Solano
Victor Montoya
Valerie Espinoza
Domingo P. Martinez
Mark A. Basham
Allen Grace

County Sheriff
County Treasurer
County Clerk
County Assessor
Probate Judge
County Surveyor

ADMINISTRATIVE OFFICIAL

Roman Abeyta

County Manager

STATE OF NEW MEXICO
SANTA FE COUNTY

Table of Contents (Continued)

June 30, 2007

	<u>Exhibit</u>	<u>Page</u>
Description of Non Major Special Revenue Funds		65-67
Non Major Special Revenue Funds:		
Combining Balance Sheet	D-1	68-71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	D-2	72-75
Combining Statement of Revenues and Expenditures - Budget to Actual (Non-GAAP Basis)	D-3	76-100
Description of Non Major Debt Service Funds		101
Non Major Debt Service Funds:		
Combining Balance Sheet	E-1	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	E-2	103
Combining Statement of Revenues and Expenditures - Budget to Actual (Non-GAAP Basis)	E-3	104-108
Description of Non Major Capital Project Funds		109
Non Major Capital Projects Funds:		
Combining Balance Sheet	F-1	110-111
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	F-2	112-113
Combining Statement of Revenues and Expenditures - Budget to Actual (Non-GAAP Basis)	F-3	114-122
Description of Agency funds		123
Agency Funds:		
Combining Balance Sheet	G-1	124
Combining Statement of Changes in Assets and Liabilities	G-2	125-126
Proprietary Funds:		
Enterprise Funds Combining Statement of Revenues and Expenditures -- Budget to Actual (Non-GAAP Basis)	H-1	127-132
OTHER SUPPLEMENTAL INFORMATION		
Schedule of Reconciliation of Tax Receipts, Disbursements and Property Tax Receivable	I-1	133
Schedule of Property Tax	I-2	134-135
Schedule of Bank Accounts	J-1	136
Schedule of Pledged Collateral	J-2	137
Financial Data Schedule	K-1	138-141

(Continued)

STATE OF NEW MEXICO
SANTA FE COUNTY

Table of Contents (Continued)

June 30, 2007

	<u>Exhibit</u>	<u>Page</u>
Supplemental Schedule of Expenditures of Federal Awards	L-1	142
Notes to Supplemental Schedule of Expenditures of Federal Awards		143
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133		144-145
Schedule of Findings and Questioned Costs		146-147
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		148-149
Memorandum on Accounting Procedures and Internal Controls		150-162
Status of Prior Year Audit Findings		163
Exit Conference		164

"22 Years of Excellence"



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Joseph A. Sisneros, C.P.A.

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Douglas W. Fraser, C.P.A.
Laura Parker, C.P.A.
Rick W. Reynolds, C.P.A.
Katherine M. Rowe, C.P.A.
Rhonda G. Williams, C.P.A.

INDEPENDENT AUDITORS' REPORT

Mr. Hector H. Balderas, 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, 2007, 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 presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the 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, 2007, and the respective changes in financial position, cash flows and the budgetary comparison for each major 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, 2007, and the respective changes in financial position and the respective budgetary comparisons for the remaining major governmental funds, the enterprise funds and the non major governmental 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 November 9, 2007 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3-15 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted 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 in the accompanying combining and individual fund financial statements as listed in the table of contents. The schedules listed as supplemental information and 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. 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 is 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. 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 basic financial statements taken as a whole.



November 9, 2007



SANTA FE COUNTY

Management's Discussion and Analysis - Unaudited June 30, 2007

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, 2007. This Management Discussion and Analysis represents the current year results for the fiscal year ending June 30, 2007, and is intended to be read in conjunction with the County's Financial Statements.

PROFILE OF THE COUNTY

The County operates under the commission-manager form of government and provides the following services: 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. 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 number of positions authorized for fiscal year 2007 is approximately 849.35.

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, and adjustments within a fund may be adjusted with the approval of the Board and the New Mexico State Department of Finance and Administration (DFA).

We believe this written analysis and the accompanying financial reporting will indicate to the reader that Santa Fe County is in good financial health. Indicators to the readers such as bond ratings, fund balances, cash on hand and budget management, will reflect a positive financial direction and management.

As an integral part of the County's accountability process, the Board of County Commissioners is active in monitoring the expenditures and budgets through both a monthly and quarterly financial reporting process. The monthly report reflects general fund activity and the quarterly report reflects all major fund activity. This reporting is provided at public meetings and becomes part of the permanent record.

Summary of County Program Highlights and Challenges

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

- *Organizational Structure:* The organizational structure of Santa Fe County underwent considerable change during fiscal year 2007, creating large departmental structures, such as Administrative Services, Community Services and Growth Management.
- *Home Sales:* The Housing Authority successfully sold eight (8) affordable housing units; newly constructed homes located in the Valle Vista subdivision and have recently begun marketing homes within the Santa Cruz subdivision. The majority of affordable housing units sold were two (2) bedroom homes with an appraised market value of \$85,000.
- *Affordable Housing:* The County has the established ordinance and regulations to require provisions of affordable housing within the Northern and Central areas of Santa Fe County. To-date, over 170 affordable housing units have been created through this program serving County residents who earn less than 120% of the Area Median Income. The County is now on track to formally create program activities and enhance resource development within the affordable housing fund.
- *Countywide Gross Receipts Tax:* The County proposed and attained voter approval of a countywide emergency medical service and emergency communications gross receipts tax. The tax will be used for the operation of the Regional Emergency Communications Center (RECC previously was jointly funded by the City and the County) and operation of emergency medical services provided by Santa Fe County. With the increase, the gross receipts tax rate in the County will be 6.5625 percent.
- *Competitive Salaries:* During the fiscal year, a Classification and Compensation Study was completed in an effort to maintain staff and offer comparable marketable salary levels. The study indicated that the County had 125 employees who were paid below market rate of their counterparts in similar jobs. The wages of County employees were compared to the wages of City of Santa Fe employees, other local employers and those in other counties in New Mexico similar in size to Santa Fe County. Part of this process included the negotiation of the raises with collective bargaining units representing County employees. This resulted in an increase of \$200,000 to bring identified employees to the marketable range.

The County constantly deals with neighboring competitive markets and the loss of staff to those markets. This year, the County faced the challenge of providing an increase to staff of the Sheriff's Office in an effort to retain staff and become more competitive with public safety salary rates in surrounding jurisdictions. While negotiating the increases, the County did lose a total of six employees, from both Deputy and Detective classifications.

The staffing for the fire department will increase with the implementation of a new gross receipts tax and will assist with the lack of personnel and equipment. Volunteerism, approximately 300 volunteers, is critical to the County fire department. Given that, the new tax will afford incentives for volunteer firefighters, providing \$6 for responding to emergency calls and \$2 for attending

training sessions. In addition, the County is increasing the number of fire stations in high density areas, such as Rancho Viejo and adding living quarters to existing volunteer stations to accommodate new firefighters hired and in training. The County currently has a Fire Cadet Academy in process with 19 active cadets, which will graduate at the end of December.

- *Mobile Healthcare Van:* During the fiscal year, the County assumed operations of the Mobile Healthcare Van which was previously operated by Presbyterian Medical Services. Throughout the year, the van will visit various communities in Santa Fe County, offering free medical services. Such services include blood pressure, blood glucose, Body Mass Index, oxygen assessment, and cholesterol testing. The van also offers a wide variety of educational literature on common diseases and insurance options.
- *Judicial Court Complex:* The judicial court complex has been overcrowded and in dire need of renovation to accommodate security issues. Santa Fe County is currently attempting to acquire additional property on Montezuma Street for the construction of the new Judicial Center Complex in an effort to maintain a downtown location for the courthouse. A \$25 million General Obligation Bond was approved by the voters and issued for the construction of a new judicial center complex. Anticipated completion of the Judicial Center Complex is fall 2010. The project budget of \$55 million includes the building, a public plaza, eight courtrooms, two hearing rooms and about 200 parking spaces. Issues the County faces in a project of this size and importance include green design elements, historical design ordinances and the public review process.
- *Satellite Offices:* The County has opened a satellite office in Pojoaque. The County also has planned offices for the Eldorado and Edgewood areas as part of an overall commitment to better serve customers within the vast County. The offices will provide general constituent liaison services, answering general questions and helping solve resident problems. The County Clerk's Office will make voter registration available and the Treasurer's Office will sell transfer station permits to residents of the respective area offices.
- *Bus Service:* The County began its first transportation project in fiscal year 2007. The project, called The Greater Eldorado Express, will provide bus transportation between Eldorado and Santa Fe. This project was made possible by a partnership of the North Central Regional Transit District (NCRTD), the County and the New Mexico Department of Transportation. The Greater Eldorado Express is the first public transportation project to serve residents in Santa Fe County.
- *Fire Station:* Santa Fe County recently completed and opened the Thunder Mountain Fire Substation in Edgewood. The Substation will serve the Thunder Mountain, Quiet Valley, Vista Montana, Tierra Vista and surrounding communities. The 3,850 square foot unmanned substation will have 3 bays to house one engine, one brush truck and one tanker. It will have meeting space and can accommodate 2 volunteer firefighters.
- *Public Works Facility:* The County broke ground on a new facility for the Public Works Department. The facility will be located on a 37-acre site along Highway 599 northwest of the intersection with Airport Road. The project consists of 3 major components: an office building (10,680 sq. ft.), a vehicle maintenance building (13,650 sq. ft.) and a material and equipment storage yard. A fuel station will be located outside of the secure yard fencing. The facility will employ state-

of-the-art technology and is being designed for energy and cost efficiency. Expected completion date is June 2008.

- *Corrections Department:* Much progress was made at the Adult Facility over the last fiscal year. In order to avert litigation with the Department of Justice, the County has hired a Medical Director, a Medical Administrator, a Mental Health Director, hired permanent nursing staff and retained security staffing. During the year, the County had to issue temporary salary increases to retain staff of the facility and prevent loss to other facilities in the area. The County is currently negotiating with the newly formed union and the temporary increases will become permanent upon a final contract. The County has worked diligently to attain approximately 300+ years of correctional experience with recent recruitment efforts; and has increased the number of training hours.
- *Snow Emergency Removal:* Blizzard conditions were experienced over northeast New Mexico on the night of December 29th and through the 30th. Total inches of snow recorded ranged from 22 inches in the City to upward of 27 inches with drifts up to 6 feet across the County. The County opened the Emergency Operations Center (EOC) on January 1st and remained open during much of January. The EOC responded to the citizens' calls for help and to direct fire and road crews to clear roads, and help County residents dig out and supply food and medication to families who were stranded. Once the snow melted, the new challenge for those who live in the County's rural areas transitioned to mud. The County spent a total of \$700,000 on the snow emergency. Part of the total cost included the purchase of heavy equipment for the Public Works Department.

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

- *Affordable Housing:* Increasing demand for affordable quality housing and exponentially increasing housing market pressures, challenges the newly implemented affordable housing program. Growth Management Strategic planning for the community is a potential partner or threat depending on planning and community resource-driven activities and policies. Working with a growing network of community partners is also a challenge due to the greater need for integration of efforts and limitation of available resources.
- *Water:* 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. A fiscal year 2008 objective of the County is to continue to acquire water rights while completing ongoing plans with the City for financing and constructing the Buckman Direct Diversion project, and to begin its construction.
- *Aamodt Settlement:* The Aamodt Settlement in regard to water rights in the Nambe-Pojoaque-Tesuque basin will have a financial impact to Santa Fe County as well as increase in the County water utility customer base. The County will have to double the current utilities staff to accommodate an increased number of customers. To this effort the County has already purchased the Top of the World ranch for \$5 million, acquiring 1,188 acre-feet of water rights.
- *Capital Projects:* The County is involved in an aggressive capital program, ranging from the construction of a new Public Works Facility, the acquisition of land and construction of a downtown Judicial Complex Center, the continuation

of many projects sponsored by the State Legislature, to the water projects mentioned above, as well as road projects similarly funded and also sourced through a General Obligation Bond. The scale and total budget value of capital improvement projects in the County has more than tripled in the last four years, and now represents half of all budgeted expenditures. Given this, the County has begun developing a long-term capital infrastructure and financing plan with the initial focus on water and wastewater projects. Adequate project management staffing and control of these projects to ensure their efficient and timely completion continues to be a major challenge to the County.

- *Corrections Department:* The County assumed full operation of the Adult Detention Facility, which includes the security, medical and administrative components of running the facility. The implementation of the ¼ % gross receipts tax for correctional facilities has assisted in the assumption of complete jail operations. 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.

The Department of Justice (DOJ) audit addressed the following issues: medical care, staffing shortages, access to mental health care and nursing shortages. An additional challenge is maintaining adequate staffing by providing competitive salary for both correctional officers and nursing staff. The medical component has proven to be a large challenge for the County both from the perspective of maintaining nursing staff and balancing the budget for inmate medical costs. Several large challenges the Corrections Department will face over the next fiscal year include a shift to a new inmate phone system, compliance with the DOJ audit requirements, assumption of responsibility for Bails Bonds and the corresponding conversion of electronic monitoring and bail bonds to a 24/7 operation. The Adult Facility will continue to develop and enhance the Mental Health Program.

The Juvenile facility underwent a major staffing turnover as a result of recent allegations and investigations. Of the 80 employees, a total of 39 have either been removed or resigned. Administration continues to monitor and train staff of the facility.

- *Fire Staffing Levels:* As the County continues to grow in population and density, demands for services will also grow. This will contribute to the need for additional paid and volunteer staffing. The County has struggled to retain firefighters and prevent loss of staff to other fire departments in Santa Fe, Albuquerque and Rio Rancho. The County currently has 20 full-time firefighters and relies heavily on its 300 volunteer firefighters to cover the County's 2000 square miles.
- *Sole Community Provider Payment:* Santa Fe County participates in the "Sole Community Provider" Program wherein payment is made to the State Human Services Department, which in turn matches the money with a federal Medicaid funding to fund the operation of local hospitals. In recent years, the County has struggled to meet the available base commitment for the Sole Community Provider (SCP) payment. The available base payment exceeds the available gross receipts tax revenue available for SCP funding. A \$2 million increase in SCP payments has occurred from FY2005-FY2007. In previous years, the fund that

sustains the SCP payments has had sufficient cash balance to meet the growing base payments, which is no longer the case. The County will be able to meet the SCP base payment required in FY2008. The funding for a supplemental payment in FY 2008 is not possible and the County will be limited to available gross receipts tax revenue available in FY 2009.

In addition, there is a pending Final Rule developed by the Federal Centers for Medicare and Medicaid that may have a significant future impact on the Sole Community Provider Program. There is currently a one year congressional moratorium that does not allow this rule to go into effect. This moratorium is scheduled to expire on May 25, 2008. If the Final Rule is allowed to go into effect, it is almost certain that the SCP program will be done away with. If this occurs, the Federal, State and local governments will have to determine how local hospitals will be funded, which will be a crucial challenge. The governments will have to explore a greatly increased demand for resources that may require diverting those resources from other efforts.

Lastly, the State of New Mexico is once again looking at absorbing the gross receipts tax that supports the Indigent Fund for healthcare reform, or to pay for other health related expenses. If the State does not address the health needs and concerns of the citizens who are being served by the Indigent Fund, the County will then have to determine means and sources to care for our citizens.

- *County Assessor:* Currently, county appraisers in the field make hand sketches and notes about types and sizes of buildings that they are appraising. The Assessor, is currently attempting to acquire a Computer-Aided Mass Appraisal System (CAMA) via a request for proposal process.

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.

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 statements because the resources of those funds are not available to support the County's own programs.

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.

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, 2007 and 2006, net assets are as follows:

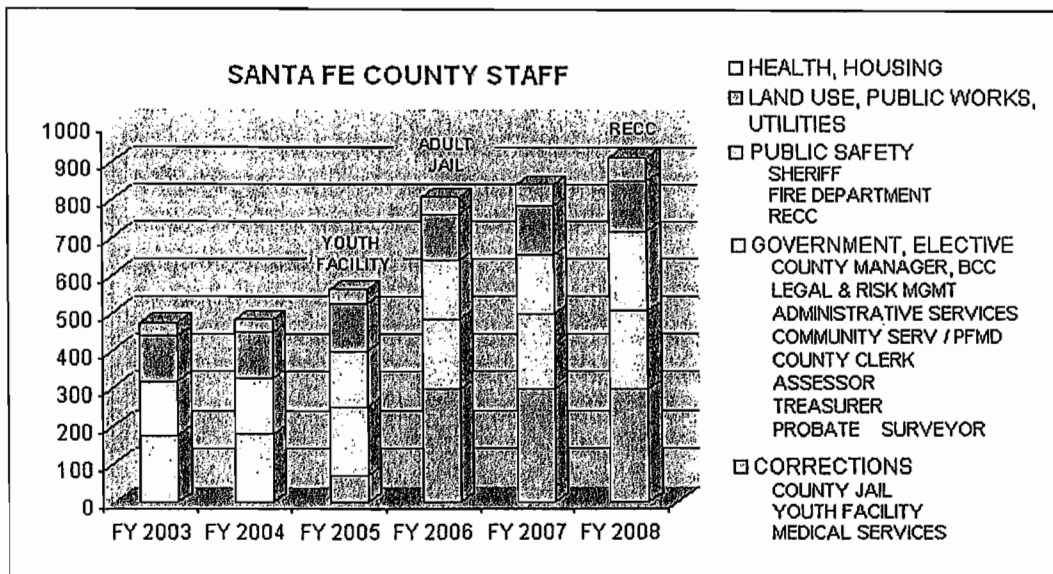
	2007			2006		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
ASSETS						
Current and Other Assets	\$ 172,637,478	\$ 22,437,892	\$ 195,075,370	\$ 124,778,101	\$ 18,488,783	\$ 143,266,884
Capital and Non-Current Assets	69,254,692	44,346,980	113,601,672	66,386,405	44,003,162	110,389,567
Total Assets	241,892,170	66,784,872	308,677,042	191,164,506	62,491,945	253,656,451
LIABILITIES						
Current Liabilities	16,381,493	2,584,986	18,966,479	13,049,725	2,493,124	15,542,849
Long-Term Liabilities	76,544,043	36,064,696	112,608,739	60,890,165	36,704,559	97,594,724
Total Liabilities	92,925,536	38,649,682	131,575,218	73,939,890	39,197,683	113,137,573
NET ASSETS						
Invested in capital assets	24,256,510	6,795,016	31,051,526	15,402,611	5,880,142	21,282,753
Restricted	50,320,041	2,387,579	52,707,620	46,739,368	2,387,579	49,126,947
Unrestricted (deficit)	74,390,083	18,952,595	93,342,678	55,082,637	15,026,541	70,109,178
Total net assets	\$ 148,966,634	\$ 28,135,190	\$ 177,101,824	\$ 117,224,616	\$ 23,294,262	\$ 140,518,878

The County's major governmental funds are the General Fund, EMS and Health Care Fund, Capital Outlay – Gross Receipts Tax fund, and the General Obligation Bond Series 2007 fund. The governmental funds had an excess of revenues and other financing sources over expenditures and other financing uses of \$44,243,597, approximately a \$12.4 million increase over 2006. Total governmental revenues increased approximately \$18.1 million mainly due to \$4.41m in increased grants, \$6.84m in property and gross receipts taxes, \$3.53m in charges for services, \$2.74m in investment income and \$.58m in various other income.

Government-wide financial analysis.

The County change in net assets for the year ended June 30, 2007 was \$36,582,946 compared to \$23,490,976 for the year ended June 30, 2006. See pages 19 and 21 for more detail on the differences between the government wide financial statements and the governmental fund financial statements.

The fiscal year 2007 personnel costs increased because there was an increase of 14.5 positions, from 849.35 positions to 842.35 positions from the 2006 fiscal year. Of these, 12 new positions were added for the Sobering Center and 4.5 positions were deleted due to the expiration of the Day Reporting grant. An Employee Development Specialist and a Risk Manager were approved for the County Manager's Office. An Affordable Housing Specialist and a Transportation Planner were approved for the Growth Management Department and a Systems Administrator was also approved for the Administrative Services Department. Additional positions were approved for both the County Clerk's Office and the Sheriff's office and included a Voter Information Specialist and a Sexual Predator Enforcement Officer.



The Jail Facility Enterprise Fund needed a general fund transfer of \$6,441,936 to cover the cost of housing adult inmates and operational expenditures. 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.

**Changes in the County's Net Assets
Year Ended June 30, 2007 and 2006**

	2007 Changes in Net assets			2006 Changes in Net assets		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues						
Charges for services	\$ 13,361,248	\$ 15,021,168	\$ 28,382,416	\$ 9,828,097	\$ 14,295,109	\$ 24,123,206
Operating grants and contributions	9,439,229	709,384	10,148,613	7,089,664	811,229	7,900,893
Capital grants and contributions	4,270,740	502,625	4,773,365	2,180,528	-	2,180,528
General revenues						
Property taxes	41,815,900	-	41,815,900	39,207,706	-	39,207,706
Gross receipt taxes	35,791,058	-	35,791,058	32,550,085	-	32,550,085
Other taxes	2,250,058	-	2,250,058	2,249,213	-	2,249,213
Investment income	6,695,660	284,761	6,980,421	3,951,150	191,709	4,142,859
Other	1,073,790	31,180	1,104,970	515,308	17,688	532,996
Contribution not restricted to a specific program	4,444,260	-	4,444,260	1,508,735	-	1,508,735
Total revenues	119,141,943	16,549,118	135,691,061	99,080,486	15,315,735	114,396,221
Expenses						
General government	23,375,447	-	23,375,447	19,721,746	-	19,721,746
Public safety	15,354,442	-	15,354,442	12,951,297	-	12,951,297
Highways and streets	8,399,402	-	8,399,402	10,055,141	-	10,055,141
Health and welfare	23,325,113	-	23,325,113	20,227,701	-	20,227,701
Culture and recreation	924,166	-	924,166	502,693	-	502,693
Economic development	271,025	-	271,025	316,602	-	316,602
Interest on long-term debt	3,248,751	-	3,248,751	2,211,444	-	2,211,444
Housing Services	-	1,672,159	1,672,159	-	1,618,964	1,618,964
Utilities Department	-	1,717,595	1,717,595	-	1,483,430	1,483,430
Jail Facility	-	20,001,791	20,001,791	-	20,967,958	20,967,958
Regional Planning Authority	-	80,779	80,779	-	9,359	9,359
Home sales	-	737,445	737,445	-	838,910	838,910
Total expenses	74,898,346	24,209,769	99,108,115	65,986,624	24,918,621	90,905,245
Increase (decrease) in net assets before transfers	44,243,597	(7,660,651)	36,582,946	33,093,862	(9,602,886)	23,490,976
Transfers	(12,501,579)	12,501,579	-	(18,781,331)	18,781,331	-
Change in net assets	\$ 31,742,018	\$ 4,840,928	\$ 36,582,946	\$ 14,312,531	\$ 9,178,445	\$ 23,490,976

Budgetary Highlights

The Santa Fe County Fiscal Year 2007 Budget totals \$157,334,129, or \$142,215,176 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 expenditures for fiscal year 2007 totals \$46.3 million, up \$5.0 million from \$41.3 million budgeted in fiscal year 2006. The major sources of increase to General Fund revenues are an increase of \$1.8 million in property taxes, \$2.5 million increase in gross receipts taxes, including the new 1/16 cent levy of \$2.25 million, a \$0.2 million increase in fees, charges, and other revenue, a \$950 thousand increase in investment income due to increased interest rates, a \$0.4 million decrease in state and federal grants due to the cessation of the Home for Good grant, and the non-inclusion of the Region III drug grant in the initial fiscal year 2007 budget.

The Special Revenue Funds budget for fiscal year 2007 totals \$42.1 million, which is up \$1.3 million increase from the \$40.8 million, budgeted in the prior fiscal year. This increase is principally due to increases in the EMS Health Care fund, \$0.3 million, the County Capital Outlay Tax fund, \$0.4 million, and the Detox Fund, \$0.5 million as the Sobering Center is funded.

Capital Project Funds original budget for fiscal year 2007 totals \$33.2 million compared to \$12.5 million in fiscal year 2006. Individual fund budgets are not strictly comparable between fiscal years because budgets in one year may be established at the beginning of the new fiscal year but deferred in the other year until later in the year. The increase noted here are as follows, \$1.0 million for Road Projects, and \$10.4 million for the Special Appropriations Fund budgets included in the fiscal year 2007 original budget but not in the fiscal year 2006 original budget. Also, the 2005 GOB Series proceeds budget of \$11.9 million is new in fiscal year 2007.

Debt Service Funds are budgeted at \$9.9 million in fiscal year 2007, compared to \$4.8 million in the prior fiscal year, due primarily to a \$4 million payment due July 1, 2007 on the 2005 Series General Obligation Bond. In addition, there is a \$300 thousand payment for the NMFA loan on the Paramount building acquisition, not previously in the budget.

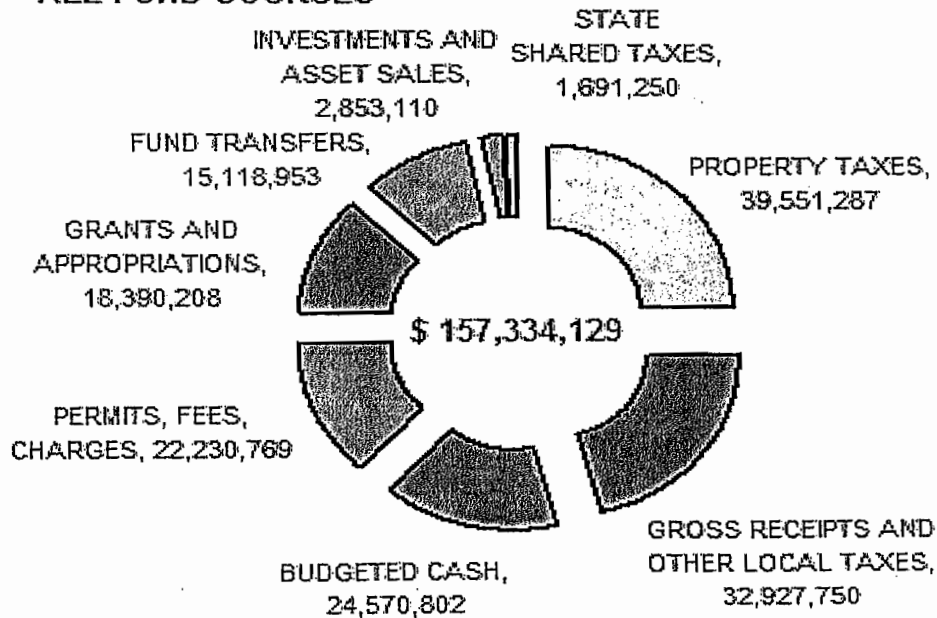
Enterprise Fund budgets (water utilities, housing, regional planning authority and the jail) total \$25.6 million, up from \$23.6 million in fiscal year 2006. Nearly all of this increase is due to the increased costs of assuming the Adult Detention Facility, and continued operation of the Youth Development (Juvenile) Facility.

The following charts provide a condensed picture of the County revenues, funds, and expenses by departments and function. Sources include tax receipts, all fees collected by

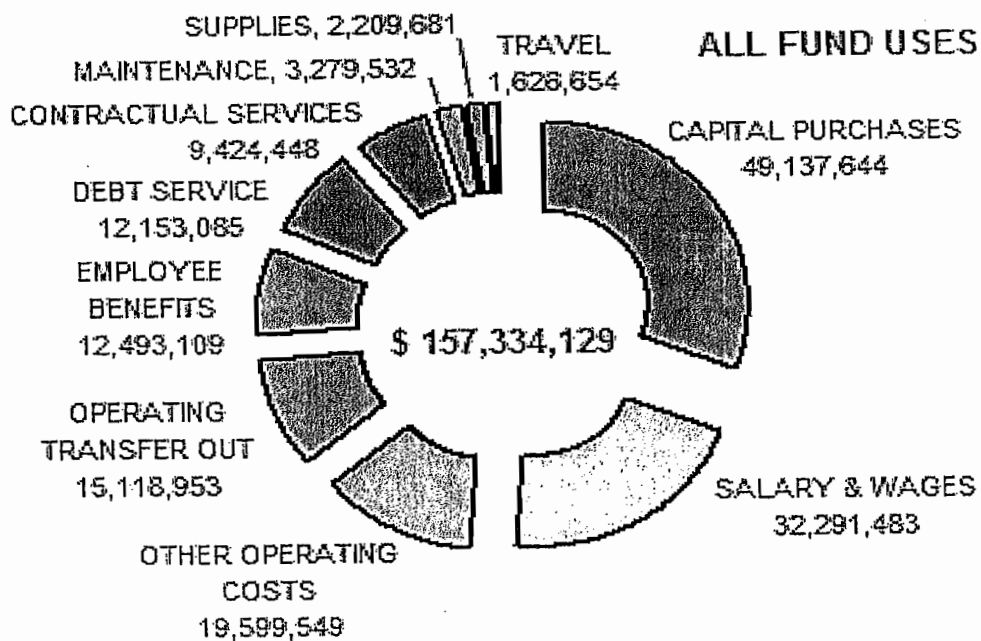
the County, Federal and State grant receipts, cash transfers between funds, interest, incoming fund transfer, and budgeted cash carryover. Uses include the expenses of various County services, payment of interest, retirement of debt and outgoing fund transfers.

FISCAL YEAR 2007

ALL FUND SOURCES



ALL FUND USES



Credit Ratings

Moody's performed a rating review as of September 2007, and upgraded the County rating to an Aa1 from an Aa2 for the 2007 General Obligation Bond Series. The upgrade reflects the County's large and diverse tax base supported by solid financial operations bolstered by ample reserves, and a modest debt burden that is expected to increase yet remain manageable.

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:

• Phone Conversion to IP Phones	\$254,639
• Mobile Vision In-Car Video Systems	\$ 48,552
• Washer/Dryer for the Adult Detention Facility	\$ 61,279
• Cameras for Adult Detention Facility	\$ 67,700
• Waste Water Trmt. Facility Feasibility Study	\$ 31,854
• Judicial Court Complex	\$375,150
• Public Works Facility	\$340,218
• Public Works – Heavy Equipment	\$600,919
• Sheriff's Office Vehicles	\$232,219
• Fire – Pumper & Ambulance	\$895,085
• Agua Fria Comm. Center – Water	\$242,537

Long-Term Debt Administration

Santa Fe County's maximum legal debt capacity for general obligation bond indebtedness was \$239,016,184 as of June 30, 2007, of which \$79,478,998 has been obligated. This leaves an available bonding capacity of \$159,537,196 in excess of present debt requirements.

Economic Factors and Next Year's Budget and Rates

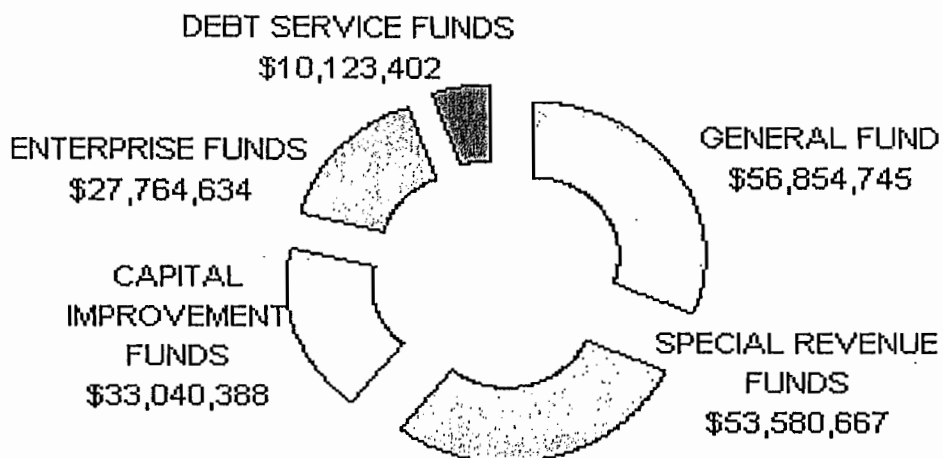
The Santa Fe County Fiscal Year 2008 Budget, totals \$181,363,836 or \$166,650,978 without transfers between funds. Differences between the fiscal year 2008 and the fiscal year 2007 budgets stem from new inclusions in the fiscal year 2008 budget, such as cash-supported expense in the general fund for major projects, such as \$2.6 million for the Judicial Center Complex; \$1.9 million of the Santa Fe County business park, and \$1.6 million for fixtures and equipment for the new Public Works Facility.

Property tax revenues have increased at a significant rate, reflecting new construction in the County. Budgeted revenue forecasts have assumed a 6.5% growth rate, whereas

actual receipts nearly doubled this rate in fiscal year 2007. Property tax receipts and a significant increase in investment income contributed to a strong general fund cash position.

The County has imposed all gross receipts taxes enabled by the State Legislature and early in the fiscal year, the Board of County Commissioners approved a 1/16 cent Health Gross Receipts Tax, to defray a Medicaid sharing payment of \$2.4 million made to the State. From the standpoint of property taxes, the calculated levy for residential property is \$4.58 and for non-residential property \$10.52 per \$1,000 net taxable value, versus a statutory limit of \$11.85 per \$1,000 net taxable value. The residential mill rates are lower than in most New Mexico counties.

SANTA FE COUNTY
FUNDTYPE SOURCES AND USES
\$181,363,836



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 visits our website at <http://www.santafecounty.nm.us>.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 1

Statement of Net Assets

June 30, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Equity in pooled cash investments - Unrestricted	\$ 33,999,179	\$ -	\$ 33,999,179
Equity in pooled cash investments - Restricted	109,287,744	18,724,088	128,011,832
Receivables, net of allowance for uncollectible			
Accounts	953,174	2,958,711	3,911,885
Taxes	10,585,871	-	10,585,871
Interest	846,006	65,583	911,589
Grantor agencies and other	6,703,723	-	6,703,723
Mortgage receivables	10,261,781	232,287	10,494,068
Interfund balances	-	-	-
Assets held for sale	-	689,510	689,510
Capital assets (net of accumulated depreciation)	69,254,692	34,811,077	104,065,769
Deferred costs, net	-	358,970	358,970
Water rights	-	8,944,646	8,944,646
Total assets	\$ 241,892,170	\$ 66,784,872	\$ 308,677,042
LIABILITIES			
Accounts payable	\$ 3,174,687	\$ 490,706	\$ 3,665,393
Accrued payroll	563,247	265,317	828,564
Accrued interest	1,639,573	614,392	2,253,965
Interfund balances	-	-	-
Deferred revenue	1,157,916	232,287	1,390,203
Deposits held for others	94,411	86,273	180,684
Noncurrent liabilities:			
Due within one year	9,751,659	896,011	10,647,670
Due in more than one year	76,544,043	36,064,696	112,608,739
Total liabilities	92,925,536	38,649,682	131,575,218
NET ASSETS			
Invested in capital assets, net of related debt	24,256,510	6,795,016	31,051,526
Restricted for:			
Debt service	11,115,367	2,387,579	13,502,946
Capital projects	39,204,674	-	39,204,674
Unrestricted	74,390,083	18,952,595	93,342,678
Total net assets	\$ 148,966,634	\$ 28,135,190	\$ 177,101,824

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 2

Statement of Activities

Year Ended June 30, 2007

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ (23,375,447)	\$ 2,085,995	\$ 3,182,832	\$ (16,159,872)	\$ -	\$ (16,159,872)
Public safety	(15,354,442)	2,002,967	-	(10,471,833)	-	(10,471,833)
Highways and streets	(8,399,402)	42,830	1,087,908	(7,256,855)	-	(7,256,855)
Health and welfare	(23,325,113)	4,874,754	-	(9,927,310)	-	(9,927,310)
Culture and recreation	(924,166)	432,683	-	(491,483)	-	(491,483)
Economic development	(271,025)	-	-	(271,025)	-	(271,025)
Interest expense	(3,248,751)	-	-	(3,248,751)	-	(3,248,751)
Total governmental activities	(74,898,346)	9,439,229	4,270,740	(47,827,129)	-	(47,827,129)
Business -type activities:						
Housing services	(1,672,159)	592,183	-	-	(712,967)	(712,967)
Utilities department	(1,717,595)	-	502,625	-	400,746	400,746
Jail facility	(20,001,791)	117,201	-	-	(7,400,880)	(7,400,880)
Regional planning authority	(80,779)	-	-	-	(42,091)	(42,091)
Home sales	(737,445)	-	-	-	(221,400)	(221,400)
Total business-type activities	(24,209,769)	709,384	502,625	-	(7,976,592)	(7,976,592)
Total primary government	\$ (99,108,115)	\$ 10,148,613	\$ 4,773,365	(47,827,129)	(7,976,592)	(55,803,721)
General Revenues						
Property taxes				41,815,900	-	41,815,900
Gross receipt taxes				35,791,058	-	35,791,058
Other taxes				2,250,058	-	2,250,058
Investment income				6,695,660	284,761	6,980,421
Other				1,073,790	31,180	1,104,970
Contributions not restricted to a specific program				4,444,260	-	4,444,260
Total general revenues				92,070,726	315,941	92,386,667
Changes in net assets before transfers				44,243,597	(7,660,651)	36,582,946
Transfers				(12,501,579)	12,501,579	-
Change in net assets				31,742,018	4,840,928	36,582,946
Net assets - beginning				117,224,616	23,294,262	140,518,878
Net assets - ending				\$ 148,966,634	\$ 28,135,190	\$ 177,101,824

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 3

Balance Sheet
Governmental Funds

June 30, 2007

	Major Funds					Total
	General	Special	Capital Project Funds			
		Revenue Fund	Capital Outlay Gross Receipts Tax	General		
		EMS and Health Care		Bond Series Obligation 2007	Non-Major Other Funds	
ASSETS						
Equity in pooled cash and investments - Unrestricted	\$ 33,793,088	\$ 206,091	\$ -	\$ -	\$ -	\$ 33,999,179
Equity in pooled cash and investments - Restricted	1,838,198	2,129,729	30,919,010	25,209,090	49,191,717	109,287,744
Receivables, net of allowance for uncollectible						
Accounts	94,558	858,616	-	-	-	953,174
Taxes	4,492,988	883,463	1,766,571	-	3,442,849	10,585,871
Interest	639,701	-	-	110,725	95,580	846,006
Grantor agencies and other	612,495	751,970	-	-	5,339,258	6,703,723
Mortgages	-	-	-	-	10,261,781	10,261,781
Due from other funds	1,949,727	-	-	-	5,719	1,955,446
Total assets	\$ 43,420,755	\$ 4,829,869	\$ 32,685,581	\$ 25,319,815	\$ 68,336,904	\$ 174,592,924
LIABILITIES AND FUND BALANCE						
Liabilities						
Accounts payable	\$ 1,080,217	\$ 56,130	\$ 204,588	\$ 66,034	\$ 1,744,810	\$ 3,151,779
Accrued payroll	411,789	86,234	-	-	65,224	563,247
Due to other funds	-	-	-	-	1,955,446	1,955,446
Deferred revenue	3,347,890	-	-	-	11,284,969	14,632,859
Deposits held for others	-	-	-	-	94,411	94,411
Other	22,908	-	-	-	-	22,908
Total liabilities	4,862,804	142,364	204,588	66,034	15,144,860	20,420,650
Fund Balance						
Reserved for						
Encumbrances	2,564,302	599,330	2,419,963	4,602,830	8,223,164	18,409,589
Debt service	-	-	-	-	11,115,367	11,115,367
Total reserved fund balance	2,564,302	599,330	2,419,963	4,602,830	19,338,531	29,524,956
Unreserved reported in						
Special Revenue	-	1,958,446	-	-	21,192,087	23,150,533
Contingency	1,815,290	2,129,729	-	-	-	3,945,019
Capital projects	-	-	30,061,030	20,650,951	13,276,085	63,988,066
Unreserved - Undesignated	34,178,359	-	-	-	(614,659)	33,563,700
Total unreserved fund balance	35,993,649	4,088,175	30,061,030	20,650,951	33,853,513	124,647,318
Total fund balance	38,557,951	4,687,505	32,480,993	25,253,781	53,192,044	154,172,274
Total liabilities and fund balance	\$ 43,420,755	\$ 4,829,869	\$ 32,685,581	\$ 25,319,815	\$ 68,336,904	\$ 174,592,924

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

June 30, 2007

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

Total Fund Balance Governmental Funds	\$ 154,172,274
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	69,254,692
Long-term liabilities, including bonds payable, and therefore are not reported in the governmental funds	(86,482,837)
Reductions of deferred revenue for property tax revenue recorded on full accrual basis. Governmental funds recognize tax revenue on the modified accrual basis	3,213,162
Accrual of interest on long-term obligations not recorded by the governmental funds until paid	(1,639,573)
Developer funded mortgages not recorded as revenue by the governmental funds until paid by the homeowners	10,261,781
Capitalized bond issuance and deferred costs, net of amortization, expensed by the governmental funds	318,247
Bond premium, net of amortization	<u>(131,112)</u>
Net assets governmental activities	<u>\$ 148,966,634</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 5

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

Year Ended June 30, 2007

	Major Funds					Total
	Special		Capital Project Funds			
	Revenue Fund		Capital Outlay	General	Non-Major	
	General	EMS and Health Care	Gross Receipts Tax	Obligation Bond Series 2007		
Revenues:						
Grants	\$ 2,085,995	\$ 1,059,754	\$ -	\$ -	\$ 10,564,220	\$ 13,709,969
Property tax	31,826,076	-	-	-	10,212,984	42,039,060
Gross receipts tax	8,805,426	4,871,787	9,802,286	-	12,311,559	35,791,058
Other taxes and assessments	1,091,509	-	-	-	1,158,549	2,250,058
Interest earnings	4,750,661	-	-	421,097	1,523,902	6,695,660
Charges for services, fines and penalties	1,755,849	6,352,827	-	-	5,252,572	13,361,248
Other	39,116	-	-	-	1,034,674	1,073,790
Total revenues	50,354,632	12,284,368	9,802,286	421,097	42,058,460	114,920,843
Expenditures:						
Current						
General government	17,832,387	-	-	-	800,755	18,633,142
Public safety	7,957,272	-	-	-	4,120,909	12,078,181
Highways and streets	3,757,624	-	-	-	2,486,727	6,244,351
Health and welfare	411,119	11,028,395	-	-	11,318,754	22,758,268
Culture and recreation	406,900	-	-	-	436,140	843,040
Economic development	-	-	-	-	271,025	271,025
Capital outlay	1,115,713	-	1,875,252	109,907	11,147,266	14,248,138
Debt service (principal and interest)	-	-	-	-	10,061,266	10,061,266
Debt issuance costs and other	-	-	-	90,646	3,467	94,113
Total expenditures	31,481,015	11,028,395	1,875,252	200,553	40,646,309	85,231,524
Excess (Deficiency) of Revenues over Expenditures	18,873,617	1,255,973	7,927,034	220,544	1,412,151	29,689,319
Other Financing Sources (Uses):						
Operating transfers, in	981,567	125,000	24,866	-	3,515,593	4,647,026
Operating transfers, out	(8,878,374)	(125,000)	(600,000)	-	(6,580,071)	(16,183,445)
Proceeds from bonds	-	-	-	25,033,237	-	25,033,237
Total other financing sources (uses)	(7,896,807)	-	(575,134)	25,033,237	(3,064,478)	13,496,818
Net changes in fund balance	10,976,810	1,255,973	7,351,900	25,253,781	(1,652,327)	43,186,137
Fund balance, beginning of year	27,581,141	3,431,532	25,129,093	-	54,844,371	110,986,137
Fund balance, end of year	\$38,557,951	\$ 4,687,505	\$ 32,480,993	\$25,253,781	\$53,192,044	\$ 154,172,274

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, 2007

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

Net changes in fund balance total governmental funds	\$ 43,186,137
Current year Capital Outlay expenditures capitalized in the statement of Net Assets	13,282,978
Depreciation expense recorded in the Statement of Activities	(10,400,827)
Debt Service principal payments expensed in the governmental funds, recorded as a reduction of long-term liabilities in the Statement of Net Assets	7,178,684
Proceeds of bonds issued during 2007 recorded as other financing sources in the governmental funds but as liabilities in the government wide financial statements	(25,000,000)
General fund payments expense for capital lease obligations and post closure costs recorded as a reduction of long-term liabilities	13,284
Capitalized bond issuance costs, net of amortization	64,719
Bond premium, net of amortization	(20,201)
Increase in compensated absences not recorded until paid by the governmental funds	(359,306)
Net increase in accrued interest expense not recorded until paid by the governmental funds	(410,687)
Current year developer funded mortgages not recorded as revenue in the governmental funds but recorded as deferred revenue	4,444,260
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	(223,159)
Loss on disposal of capital assets not recorded in the governmental funds	<u>(13,864)</u>
Change in net assets	<u>\$ 31,742,018</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 to Actual (Non-GAAP Basis)

Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ 1,377,494	\$ 2,260,543	\$ 2,084,512	\$ (176,031)
Taxes and special assessments	37,857,677	37,956,066	41,653,915	3,697,849
Interest earnings	2,250,000	2,250,000	4,750,661	2,500,661
Charges for services	1,161,250	1,185,885	1,279,280	93,395
Licenses and permits	465,562	465,562	491,413	25,851
Other	35,000	59,000	64,620	5,620
Total revenues	43,146,983	44,177,056	\$ 50,324,401	\$ 6,147,345
Cash balance carryforward	2,232,884	4,783,583		
Total	\$ 45,379,867	\$ 48,960,639		
Expenditures:				
General government	\$ 24,359,969	\$ 24,503,050	\$ 19,168,656	\$ 5,334,394
Public Safety	7,510,010	9,279,756	8,441,426	838,330
Highways and streets	1,053,845	1,655,431	1,631,155	24,276
Health and welfare	450,571	528,198	416,128	112,070
Culture and recreation	583,203	861,564	813,459	48,105
Public Works	3,525,462	4,116,382	3,694,095	422,287
Total expenditures	\$ 37,483,060	\$ 40,944,381	\$ 34,164,919	\$ 6,779,462
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	981,567	981,567	981,567	-
Operating transfers out	(8,878,374)	(8,997,825)	(8,878,374)	(119,451)
Total other financing sources (uses)	\$ (7,896,807)	\$ (8,016,258)	\$ (7,896,807)	(119,451)
Net income (loss) - Budgetary basis			\$ 8,262,675	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			30,231	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			2,564,302	
Reversal of prior year accruals			119,602	
Change in net assets - GAAP basis			\$ 10,976,810	

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 to Actual (Non-GAAP Basis)

Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ 381,926	\$ 2,089,701	\$ 308,481	\$ (1,781,220)
Taxes and special assessments	4,500,000	4,500,000	4,808,562	308,562
Interest earnings	-	-	-	-
Charges for services	4,017,280	4,419,837	5,153,128	733,291
Licenses and permits	100,000	100,000	99,377	(623)
Other	-	-	-	-
Total revenues	8,999,206	11,109,538	\$ 10,369,548	\$ (739,990)
Cash balance carryforward	612,385	1,850,614		
Total	\$ 9,611,591	\$ 12,960,152		
Expenditures:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	4,002,692	5,999,595	4,554,033	1,445,562
Highways and streets	-	-	-	-
Health and welfare	5,608,899	7,080,008	6,782,954	297,054
Culture and recreation	-	-	-	-
Public Works	-	-	-	-
Total expenditures	\$ 9,611,591	\$ 13,079,603	\$ 11,336,987	\$ 1,742,616
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	\$ -	-
Operating transfers in	-	244,451	125,000	(119,451)
Operating transfers out	-	(125,000)	(125,000)	-
Total other financing sources (uses)	\$ -	\$ 119,451	\$ -	(119,451)
Net income (loss) - Budgetary basis			\$ (967,439)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			1,914,820	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			599,330	
Reversal of prior year accruals			(13,787)	
Entry for bad debt expense			(276,951)	
Change in net assets - GAAP basis			\$ 1,255,973	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 9

Statement of Net Assets
Enterprise Funds

June 30, 2007

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
ASSETS						
Current Assets:						
Cash and investments- restricted	\$ 2,036,022	\$ 3,648,163	\$ 10,500,513	\$ 179,557	\$ 2,359,833	\$ 18,724,088
Accrued interest	-	1,108	64,475	-	-	65,583
Accounts receivable, net	56,626	203,674	2,683,255	11,485	-	2,955,040
Interfund balances	-	-	-	-	-	-
Notes receivable, net	-	3,671	-	-	-	3,671
Assets held for sale	-	-	-	-	689,510	689,510
Total current assets	2,092,648	3,856,616	13,248,243	191,042	3,049,343	22,437,892
Non-current Assets:						
Fixed assets - building, land, equipment jail facility and water system	7,150,760	10,842,362	29,940,123	7,650	-	47,940,895
Accumulated depreciation	(3,824,762)	(1,793,302)	(7,507,959)	(3,795)	-	(13,129,818)
Total fixed assets, net of depreciation	3,325,998	9,049,060	22,432,164	3,855	-	34,811,077
Deferred costs, net	-	-	358,970	-	-	358,970
Water rights	-	8,944,646	-	-	-	8,944,646
Mortgage receivable	-	-	-	-	232,287	232,287
Total assets	\$ 5,418,646	\$ 21,850,322	\$ 36,039,377	\$ 194,897	\$ 3,281,630	\$ 66,784,872
LIABILITIES AND FUND EQUITY						
Current Liabilities:						
Accounts payable	\$ 7,958	\$ 42,212	\$ 424,546	\$ -	\$ 15,990	\$ 490,706
Accrued payroll	19,124	14,880	229,439	1,874	-	265,317
Accrued interest	-	-	614,392	-	-	614,392
Interfund balances	-	-	-	-	-	-
Deposits held for others	66,704	19,569	-	-	-	86,273
Current portion of notes and bonds payable	121,011	-	775,000	-	-	896,011
Deferred revenue	-	-	-	-	232,287	232,287
Total current liabilities	214,797	76,661	2,043,377	1,874	248,277	2,584,986
Noncurrent Liabilities:						
Notes and bonds payable	4,827,434	-	25,535,000	-	-	30,362,434
Interest payable	5,702,262	-	-	-	-	5,702,262
Total noncurrent liabilities	10,529,696	-	25,535,000	-	-	36,064,696
Total liabilities	10,744,493	76,661	27,578,377	1,874	248,277	38,649,682
Net assets						
Invested in capital assets and water rights, net of related debt	(7,324,709)	17,993,706	(3,877,836)	3,855	-	6,795,016
Restricted for Debt service	-	-	2,387,579	-	-	2,387,579
Unrestricted	1,998,862	3,779,955	9,951,257	189,168	3,033,353	18,952,595
Total net assets	(5,325,847)	21,773,661	8,461,000	193,023	3,033,353	28,135,190
Total liabilities and net assets	\$ 5,418,646	\$ 21,850,322	\$ 36,039,377	\$ 194,897	\$ 3,281,630	\$ 66,784,872

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 10

Statement of Revenues, Expenditures and Changes in Fund Net Assets

Enterprise Funds

Year Ended June 30, 2007

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
Operating revenues						
Facilities rentals and charges for services	\$ 367,009	\$ -	\$ 12,483,710	\$ 38,688	\$ -	\$ 12,889,407
Water sales, net	-	1,615,716	-	-	-	1,615,716
Miscellaneous	24,630	3,750	2,800	-	-	31,180
Sale of homes	-	-	-	-	516,045	516,045
Total operating revenues	391,639	1,619,466	12,486,510	38,688	516,045	15,052,348
Operating expenses						
Cost of sales	-	-	-	-	737,445	737,445
General	1,327,793	1,717,595	18,521,480	80,779	-	21,647,647
Total operating expenses	1,327,793	1,717,595	18,521,480	80,779	737,445	22,385,092
Operating income (loss)	(936,154)	(98,129)	(6,034,970)	(42,091)	(221,400)	(7,332,744)
Non-operating revenues (expenses)						
Interest on cash and investments	-	3,734	281,027	-	-	284,761
HUD operating subsidy and other federal/state funds	592,183	-	117,201	-	-	709,384
Interest expense on notes payable	(344,366)	-	(1,480,311)	-	-	(1,824,677)
Total non-operating revenues (expenses)	247,817	3,734	(1,082,083)	-	-	(830,532)
Net income (loss) before contributions and operating transfers	(688,337)	(94,395)	(7,117,053)	(42,091)	(221,400)	(8,163,276)
Capital Contributions						
Capital contributions from governmental funds	12,545	890,605	53,085	1,635	142,919	1,100,789
Contributions from Developers	-	502,625	-	-	-	502,625
Capital assets contributions (expense)	(135,629)	-	-	-	-	(135,629)
Total capital contributions	(123,084)	1,393,230	53,085	1,635	142,919	1,467,785
Operating transfers in	214,835	129,648	-	-	-	344,483
Operating transfers (out)	-	-	11,191,936	-	-	11,191,936
Total transfers	214,835	129,648	11,191,936	-	-	11,536,419
Change in net assets	(596,586)	1,428,483	4,127,968	(40,456)	(78,481)	4,840,928
Net assets (deficit), beginning of year	(4,729,261)	20,345,178	4,333,032	233,479	3,111,834	23,294,262
Net assets (deficit), end of year	\$ (5,325,847)	\$ 21,773,661	\$ 8,461,000	\$ 193,023	\$ 3,033,353	\$ 28,135,190

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 11
Page 1 of 2

Statement of Cash Flows

Enterprise Funds

Year Ended June 30, 2007

	Housing Services	Utilities Department	Jail Facility	Regional Planning Authority	Home Sales	Total
Cash Flows from Operating Activities						
Cash received from customers and others	\$ 374,970	\$ 1,627,399	\$ 10,669,058	\$ 27,203	\$ 484,425	\$ 13,183,055
Cash payments to suppliers for goods and services	(376,527)	(831,258)	(5,089,571)	(11,531)	-	(6,308,887)
Cash payments to employees for services	(667,732)	(584,921)	(11,672,467)	(65,844)	-	(12,990,964)
Net cash provided (used) by operating activities	(669,289)	211,220	(6,092,980)	(50,172)	484,425	(6,116,796)
Cash Flows Provided from Noncapital Financing activities						
Cash from grantors and other	390,466	-	120,001	-	-	510,467
Cash from operating transfers in	214,836	129,648	11,191,936	-	-	11,536,420
Cash used to pay due to other funds	-	-	-	-	-	-
Net cash provided by noncapital financing activities	605,302	129,648	11,311,937	-	-	12,046,887
Cash Flows Provided from Capital and Related Financing Activities						
Payment of notes payable and accrued interest	-	-	(2,246,290)	-	-	(2,246,290)
Cash paid for fixed assets	(6,629)	(31,178)	(579,194)	-	-	(617,001)
Net cash (used by) provided by capital and related financing activities	(6,629)	(31,178)	(2,825,484)	-	-	(2,863,291)
Cash Flows from Investing Activities - Interest on cash and investment						
	-	3,942	281,819	-	-	285,761
Net increase (decrease) in cash and cash equivalents	(70,616)	313,632	2,675,292	(50,172)	484,425	3,352,561
Cash and investments at beginning of year	2,106,638	3,334,531	7,825,221	229,729	1,875,408	15,371,527
Cash and investments at end of year	<u>\$ 2,036,022</u>	<u>\$ 3,648,163</u>	<u>\$ 10,500,513</u>	<u>\$ 179,557</u>	<u>\$ 2,359,833</u>	<u>\$ 18,724,088</u>

The accompanying notes are an integral part of this statement.

(Continued)

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 11
Page 2 of 2

Statement of Cash Flows (Continued)

Enterprise Funds

Year Ended June 30, 2007

	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)	\$ (936,154)	\$ (98,129)	\$ (6,034,970)	\$ (42,091)	\$ (221,400)	\$ (7,332,744)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Deprecation and amortization expenses	240,812	252,894	1,139,349	1,530	-	1,634,585
Bad debt expense	40,000	112,270	552,228	-	-	704,498
Change in assets and liabilities						
(Increase) decrease in accounts receivable	(24,199)	3,664	(1,817,452)	(11,485)	-	(1,849,472)
(Increase) decrease in notes receivable	-	512	-	-	-	512
(Increase) decrease in assets held for sale	-	-	-	-	689,835	689,835
Increase (decrease) in accounts payable	(565)	(65,102)	82,250	-	15,990	32,573
Increase (decrease) in compensated absences	3,287	1,354	(14,385)	1,874	-	(7,870)
(Decrease) increase in deposits held for others	7,530	3,757	-	-	-	11,287
Total adjustments	<u>266,865</u>	<u>309,349</u>	<u>(58,010)</u>	<u>(8,081)</u>	<u>705,825</u>	<u>1,215,948</u>
Net cash provided by (used by) operating activities	<u>\$ (669,289)</u>	<u>\$ 211,220</u>	<u>\$ (6,092,980)</u>	<u>\$ (50,172)</u>	<u>\$ 484,425</u>	<u>\$ (6,116,796)</u>

Supplemental information: Non monetary transactions - HUD forgave \$201,717 of interest and principal and contributed revenue was credited. Also the County governmental funds paid for \$12,545 of capital asset additions for Housing Services, \$890,605 of capital asset and water rights additions for the Utilities Department, \$1,635 of capital asset additions for Regional Planning Authority, and \$53,085 of capital asset additions for the Jail. Housing Services contributed \$135,629 of homes held for sale to the Home Sales fund as well as \$71,820 of mortgages receivable and corresponding deferred revenue. Other funds contributed \$7,290 of costs for homes held for sale to the Home Sales fund. Developers contributed \$502,625 in infrastructure additions to Utilities.

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit 12

Agency Funds
Statement of Fiduciary Assets and Liabilities

June 30, 2007

ASSETS

Equity in pooled cash and investments - restricted	\$ 2,636,937
Property taxes receivable	5,690,583
Total assets	<u>8,327,520</u>

LIABILITIES

Due to other governments	5,690,583
Overpayments and taxes paid in advance	1,458,542
Deposits held for others	625,321
Undistributed taxes to other entities	553,074
Total liabilities	<u>8,327,520</u>

Net assets \$ -

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 provides 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)

Reporting Entity (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*.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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.

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. Derived tax revenues (gross receipts taxes, cigarette taxes, gasoline taxes, etc.) are recognized when the underlying exchange transaction takes place. Revenues from fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. 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's 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 or when the underlying exchange transaction takes place. 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

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

to compensate 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 taxes, that are not available, are recorded as both accounts receivable and deferred revenue. 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 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

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Presentation of Funds (Continued)

receipts and other miscellaneous taxes.

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

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

General Obligation Bond Series 2007 – In the Fiscal Year 2007, voters approved the issuance of a bond in the amount of \$25 million to be used for the District Courthouse project. This capital project fund contains the proceeds of this bond. The debt on this bond is paid with property taxes through the General Obligation Bond Debt Service Fund.

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 65 to 67, Non Major Debt Service on page 101 and Non Major Capital Project Funds on page 109.

The *Fund balance, beginning of year* line item for Non-Major funds on page 20 has been reclassified to include the General Obligation Bond Series 2005 fund. The beginning fund balance has been increased by \$13,098,020 from the June 30, 2006 issued financial statements.

The County has elected to have all of its enterprise funds 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.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

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, 2007 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.

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:

- Transfers within organizational units (between expenditure categories)
- Transfers between organizational 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.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Annual Budget (Continued)

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 2007:

Rancho Viejo Improvement District
Fire Tax Revenue Bond Debt Service
NMFA Loan Proceeds Fund

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.

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, 2007. 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.

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 for 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

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Property Taxes Receivable (Continued)

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 is 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.

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. Effective July 1, 2006 State law requires capitalization of capital assets greater than \$5,000. 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. The County has no impaired assets.

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	25-30 years

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

The County elected in 2003 not to retroactively implement the capitalization of infrastructure assets. In the 2006 fiscal year there was a prior year restatement for the infrastructure. Current 2007 additions have been capitalized.

The Utilities Department consists of engineering costs and other expenses to plan and 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, 2007 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.

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

The County follows GASB Statement No. 46 Net Assets Restricted by Enabling Legislation an amendment of GASB Statement 34, which clarified the criteria of net assets restricted related to enabling legislation.

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.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Fund Equity (Continued)

This includes the amounts required by the New Mexico Department of Finance and Administration for budgeted expenditures reserved to maintain adequate cash flow for contingency purposes.

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 operation transfers. Contributions to the enterprise funds by the governmental funds of fixed assets are classified as non-operating revenue.

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) Pooled Cash and Investments

The following is a summary of pooled cash and investments at June 30, 2007:

	Government-Wide Statement of Net Assets			Fiduciary Fund Financial Statements	
	Governmental Activities	Business-Type Activities	Total	Fiduciary Funds Statement of Net Assets	Total
Cash and Investments	\$ 33,999,179	\$ -	\$ 33,999,179	\$ -	\$ 33,999,179
Restricted Cash and Investments	\$109,287,744	\$ 18,724,088	\$ 128,011,832	\$ 2,636,937	130,648,769
Total Cash and Investments					<u>\$164,647,948</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 have call provisions which would be exercised within one year. Investments in Federal Agency securities that mature within the next fiscal year total \$19,800,660 and the investments with maturities greater than one year but less than two years totaled \$6,468,115 at June 30, 2007. The County's investments in certificate of deposits are non-negotiable certificate of deposits which can be redeemed before maturity without loss of principal balance.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(2) Pooled Cash and Investments (Continued)

The following are securities with a scheduled maturity greater than 2 years and whose cost approximates market.

<u>Security</u>	<u>Scheduled Maturity</u>	<u>Call Date</u>	<u>Fair Value</u>
Federal National Mortgage Association	09/21/09	03/21/08	\$ 2,000,000
Federal National Mortgage Association	10/08/09	01/08/08	977,683
Federal National Mortgage Association	12/18/09	12/18/07	1,997,796
Federal National Mortgage Association	12/21/09	12/21/07	2,164,567
Federal National Mortgage Association	12/28/09	12/28/07	1,000,000
Federal Home Loan Bank	01/22/10	07/22/08	1,524,631
Federal National Mortgage Association	03/22/10	11/04/07	972,451
Federal Home Loan Bank	03/28/10	10/30/07	1,607,207
Federal National Mortgage Association	03/30/10	11/04/07	684,003
Federal National Mortgage Association	04/23/10	10/23/09	1,999,716
Scheduled maturity before 6/30/2010			<u>14,928,054</u>
Federal National Mortgage Association	10/11/11	01/11/08	2,543,502
Federal Home Loan Mortgage Corporation	12/05/11	12/05/07	2,918,542
Scheduled maturity before 6/30/2012			<u>5,462,044</u>
Federal Home Loan Bank	07/09/13	01/09/08	1,761,988
Scheduled maturity before 6/30/2013			<u>1,761,988</u>
			<u>\$22,152,086</u>

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.

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.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(2) Pooled Cash and Investments (Continued)

Investments in securities of any individual issues, 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, 2007 are as follows:

	<u>Investment Type</u>	<u>Amount</u>	<u>% of Investments</u>
Governmental Activities	FNMA	\$16,720,189	12%
	Federal Home Loan Mortgage Association	24,607,205	18%
	FHLB Securities	<u>7,093,467</u>	<u>5%</u>
	Total Federal agencies	<u>48,420,861</u>	<u>35%</u>
	Repurchase agreements	<u>139,094,622</u>	<u>7%</u>
Business-type Activities	None over 5%	-	-

Investments in securities of any individual issuers, other than U.S. Treasury securities, mutual funds, local government investment pool that represent five percent of the total investments by individual funds are as follow:

		<u>Amount</u>	<u>% of Investments</u>
Jail Facility	Repurchase agreement	<u>\$2,249,600</u>	<u>100%</u>
2005 GO Bond Proceeds	Federal Home Loan Mortgage Association	3,387,234	59%
	FNMA Securities	<u>2,380,471</u>	<u>41%</u>
	Total Federal agencies	<u>5,767,705</u>	<u>100%</u>
Sheriff's Facility Bond Reserve	Repurchase agreement	<u>425,905</u>	<u>100%</u>

The carrying amounts of the County's deposits at financial institutions as of June 30, 2007, were \$24,840,527. Bank balances before reconciling items were \$29,038,564 at June 30, 2007. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be recovered. Under New Mexico law, all deposits with financial institutions must be collateralized in an amount not less than 50% of the uninsured balance. The County is exposed to custodial risk of \$7,350 because deposits are uninsured and uncollateralized (See page 137) for the detailed schedule.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(2) Pooled Cash and Investments (Continued)

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	\$ 2,739
Total deposits	Not rated	<u>24,840,527</u>
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 GASB31	Not rated	<u>85,659,749</u>
Cash held by NM Finance Authority which is on deposit With the State Treasurer	Not rated	4,849
Repurchase agreements	Not rated	9,562,015
Federal Agency Securities	AAA	38,087,905
U.S. Treasury bills	Not applicable	1,457,172
U.S. Treasury cash reserves mutual fund accounts	Not applicable	<u>5,032,992</u>
Total investments		<u>54,144,933</u>
 Total – all County deposits and investments		 <u>\$ 164,647,948</u>
 Amounts per financial statements:		
Agency funds equity in pooled cash and investments		\$ 2,636,937
Governmental Funds equity in pooled cash and investments -unrestricted		33,999,179
Governmental Funds equity in pooled cash and investments -restricted		109,287,774
Enterprise Funds equity in pooled cash and investments		<u>18,724,088</u>
		<u>\$164,647,948</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, and are secured with collateral held by third parties in the name of the County at a value of 102% of the repurchase agreement.

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, 2007 was \$6,141,771.

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 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 that have AAA credit quality ratings. 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

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(2) Pooled Cash and Investments (Continued)

investments. The weighted average maturity at June 30, 2007 was 38 days, which reduces the pool's interest rate risk.

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.

(3) 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	\$ 1,949,727	\$ -
Non Major Special Revenue Funds:		
Corrections		52,983
CFP Program	-	487,432
Alcohol Programs	-	31,762
Santa Fe River	-	49,444
Total Special Revenue Funds	-	621,621
Non Major Debt Service Funds:		
Fire Tax Revenue Bonds	5,719	-
Total Debt Service Funds	5,719	-
Non Major Capital Projects Funds:		
State Special Appropriations	-	1,313,401
Community Development Block Grants (CDBG)	-	14,705
Bond Proceeds – Fire Tax	-	5,719
Total Capital Projects Funds	-	1,333,825
Total County	\$ 1,955,446	\$ 1,955,446

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, and are expected to be repaid within the next Fiscal Year.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(3) Interfund Assets and Liabilities (Continued)

Transfers from the governmental activities to the business type activities consist of transfers and contributed capital from the governmental funds to the business type funds in the government-wide financial statements, and consist of the following:

Transfers in	\$ 4,647,026
Transfers out	(16,183,445)
Contributed capital	<u>(965,160)</u>
Transfers per page 17	<u><u>\$(12,501,579)</u></u>

(4) Capital Assets

The changes in Capital Assets for the year ended June 30, 2007 are as follows:

	June 30, 2006 <u>Balance</u>	Additions & <u>transfers</u>	Deletions	June 30, 2007 <u>Balance</u>
Governmental activities:				
Non depreciable assets:				
Land	\$ 18,879,790	\$ 2,161,023	\$ -	\$ 21,040,813
Right of way land	5,465,283	-	-	5,465,283
Assets being depreciated				
Buildings and improvement	36,678,456	7,648,657	-	44,327,113
Infrastructure	36,031,123	175,941	-	36,207,064
Equipment and vehicles	35,736,816	3,140,415	(604,530)	38,272,701
Furniture and fixtures	792,187	156,942	-	949,129
	<u>133,583,655</u>	<u>13,282,978</u>	<u>(604,530)</u>	<u>146,262,103</u>
Accumulated depreciation				
Buildings and improvement	(17,677,405)	(1,108,178)	-	(18,785,583)
Infrastructure	(11,675,093)	(1,448,283)	-	(13,123,376)
Equipment and vehicles	(36,822,400)	(7,654,540)	590,666	(43,886,274)
Furniture and fixtures	(1,022,352)	(189,826)	-	(1,212,178)
Total accumulated depreciation	<u>(67,197,250)</u>	<u>(10,400,827)</u>	<u>590,666</u>	<u>(77,007,411)</u>
Governmental activities capital assets, net	<u>\$ 66,386,405</u>	<u>\$ 2,882,151</u>	<u>\$ (13,864)</u>	<u>\$ 69,254,692</u>

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

Governmental activities	
General government	\$ 4,321,544
Public Safety	3,276,261
Health and Welfare	566,845
Culture and recreation	81,126
Highways and streets	<u>2,155,051</u>
Total depreciation expense	<u>\$ 10,400,827</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(4) Capital Assets (Continued)

The following is a summary of proprietary funds capital assets at June 30, 2007:

	June 30, 2006			June 30, 2007		
	Balance	Additions	Deletions	Balance		
Business-type activities:						
Housing Services						
Land	\$ 621,465	\$ -	\$ (9,870)	\$ 611,595		
Assets being depreciated						
Equipment and vehicles	450,033	19,174	(27,308)	441,899		
Buildings and improvements	6,293,764	-	(196,498)	6,097,266		
	<u>7,365,262</u>	<u>19,174</u>	<u>(233,676)</u>	<u>7,150,760</u>		
Less: Accumulated depreciation						
Equipment and vehicles	(434,226)	(88,380)	27,308	(495,298)		
Buildings and improvements	(3,247,771)	(152,432)	70,739	(3,329,464)		
Total accumulated depreciation	<u>(3,681,997)</u>	<u>(240,812)</u>	<u>98,047</u>	<u>(3,824,762)</u>		
Net fixed assets	<u>\$ 3,683,265</u>	<u>\$ (221,638)</u>	<u>\$ (135,629)</u>	<u>\$ 3,325,998</u>		
Utilities Department						
Land	\$ 1,347,625	\$ -	\$ -	\$ 1,347,625		
Assets being depreciated						
Water system	7,668,715	1,393,230	-	9,061,945		
Office equipment, furniture and vehicle	401,614	31,178	-	432,792		
	<u>9,417,954</u>	<u>1,424,408</u>	<u>-</u>	<u>10,842,362</u>		
Less: Accumulated depreciation						
Water system	(1,396,992)	(166,336)	-	(1,563,328)		
Office equipment, furniture and vehicle	(143,416)	(86,558)	-	(229,974)		
Total accumulated depreciation	<u>(1,540,408)</u>	<u>(252,894)</u>	<u>-</u>	<u>(1,793,302)</u>		
Net fixed assets	<u>\$ 7,877,546</u>	<u>\$ 1,171,514</u>	<u>\$ -</u>	<u>\$ 9,049,060</u>		
Jail Facility						
Land	\$ 126,781	\$ -	\$ -	\$ 126,781		
Assets being depreciated						
Jail facility	27,232,701	23,539	-	27,256,240		
Office equipment and furniture	1,768,915	481,985	(83,312)	2,167,588		
Vehicles	324,610	126,755	(61,852)	389,513		
	<u>29,453,007</u>	<u>632,279</u>	<u>(145,164)</u>	<u>29,940,122</u>		
Less: Accumulated depreciation						
Jail facility	(5,419,381)	(681,406)	-	(6,100,787)		
Office equipment and furniture	(899,152)	(364,118)	82,630	(1,180,640)		
Vehicles	(210,481)	(77,903)	61,852	(226,532)		
Total accumulated depreciation	<u>(6,529,014)</u>	<u>(1,123,427)</u>	<u>144,482</u>	<u>(7,507,959)</u>		
Business-type activities						
Net fixed assets	<u>\$ 22,923,993</u>	<u>\$ (491,148)</u>	<u>\$ (682)</u>	<u>\$ 22,432,163</u>		

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(4) Capital Assets (Continued)

	June 30, 2006 Balance	Additions	Deletions and transfers	June 30, 2007 Balance
Regional Planning Authority Equipment and machinery	\$ 6,015	\$ 1,635	\$ -	\$ 7,650
Less: Accumulated depreciation Equipment and machinery	(2,265)	(1,530)	-	(3,795)
Total accumulated depreciation	(2,265)	(1,530)	-	(3,795)
Net fixed assets	<u>\$ 3,750</u>	<u>\$ 105</u>	<u>\$ -</u>	<u>\$ 3,855</u>

Depreciation expense was \$240,812 for Housing Services, \$252,894 for the Utilities Department, \$1,123,427 for the Jail Facility and \$1,530 for the Regional Planning Authority for the year ended June 30, 2007, respectively.

(5) Receivables Notes and Mortgage Receivables

The following is a summary of receivables for the government wide financial statements at June 30, 2007.

	Governmental Activities	Business-Type Activities
Accounts	\$ 2,791,710	\$ 4,985,510
Taxes		
Property	3,823,698	-
Gross receipts	6,482,110	-
Other	280,063	-
Interest	846,006	65,583
Grantor and other	6,703,723	-
	20,927,310	5,051,093
Allowance for uncollectible	(1,838,536)	(2,026,799)
	<u>\$ 19,088,774</u>	<u>\$ 3,024,294</u>
Mortgage receivables	<u>\$ 10,261,781</u>	<u>\$ 232,287</u>

The County does not have an allowance on mortgages since the mortgages are secured by real estate and are considered fully collectable. The County has not incurred any losses associated with its mortgage receivables.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(6) Long-Term Obligations

The following is a summary of long-term obligations of the County for the year ended June 30, 2007:

	June 30, 2006 Balance	Additions	Deletions	June 30, 2007 Balance	Due within one year
Governmental Activities					
General obligation and gross receipts bonds	\$ 61,298,998	\$ 25,000,000	\$ (6,870,000)	\$ 79,428,998	\$ 7,055,000
Landfill closure and postclosure care costs	2,013,342	-	(13,284)	2,000,058	-
Capital lease obligations	121,485	-	-	121,485	23,683
Compensated absences	2,220,342	1,792,964	(1,433,658)	2,579,648	2,579,648
Bonds payable issued via NMFA	846,332	-	(273,684)	572,648	16,784
Componet Unit - Rancho Viejo Improvement District	1,815,000	-	(35,000)	1,780,000	35,000
Total Debt	68,315,499	26,792,964	(8,625,626)	86,482,837	9,710,115
Plus Bond Premium	110,911	33,237	(13,036)	131,112	13,729
Less deferred amounts on refunding	(100,120)	-	11,000	(89,120)	11,000
Deferred issuance costs	(153,408)	(90,646)	14,927	(229,127)	16,815
Total Debt Net	<u>\$ 68,172,882</u>	<u>\$ 26,735,555</u>	<u>\$ (8,612,735)</u>	<u>\$ 86,295,702</u>	<u>\$ 9,751,659</u>

The governmental funds, primarily the general fund, has paid for compensated absences for the year ended June 30, 2007.

	June 30, 2006 Balance	Additions	Deletions	June 30, 2007 Balance	Due within one year
Business Type					
HUD notes payable	\$ 5,061,942	\$ -	\$ (113,499)	\$ 4,948,443	\$ 121,011
HUD interest payable	5,446,114	256,148	-	5,702,262	-
Jail facility	27,045,000	-	(735,000)	26,310,000	775,000
	<u>\$ 37,553,056</u>	<u>\$ 256,148</u>	<u>\$ (848,499)</u>	<u>\$ 36,960,705</u>	<u>\$ 896,011</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(6) Long-Term Obligations (Continued)

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, 2007 Balance	Due within one year
February 1, 1997	4.1-5.7%	2027	\$ 6,000,000	\$ 4,950,000	\$ 145,000
June 15, 1999	4.5-7.0%	2018	12,000,000	11,820,000	470,000
June 15, 1999	3.7-4.4%	2007	4,310,000	675,000	675,000
May 1, 2001	4.4-5.5%	2018	8,500,000	6,110,000	640,000
November 1, 2001	4.0-4.625%	2017	8,000,000	5,895,000	480,000
June 13, 2003	1.18-2.80%	2008	2,293,998	728,998	395,000
August 18, 2005	3.25-4.192%	2016	8,490,000	8,400,000	450,000
October 31, 2005	4.0%-5.5%	2026	20,000,000	15,850,000	3,400,000
March 8, 2007	4.0%-5.0%	2027	25,000,000	25,000,000	400,000
			<u>\$ 94,593,998</u>	<u>\$ 79,428,998</u>	<u>\$ 7,055,000</u>

During 2007, the County issued \$25,000,000 of General Obligation Bonds secured by the County's property tax revenue to provide funds for the construction of the Judicial Building. The interest rates range from 4.0% - 5.0% with the final bond payments due July 1, 2026.

During October 2005, the County issued \$20,000,000 of General Obligation Bonds secured by property tax revenue to provide funds for various road projects, equipment, water rights and water improvement projects as specified by the bond agreement. The interest rates range from 4.0% to 5.5% with the final bond payments due July 1, 2026.

On August 18, 2005, the County issued \$8,490,000 in General Obligation Bonds Series 2005 with an average interest rate of 3.6 percent to advance refund \$8,380,000 of outstanding 1997 Series bonds with an average interest rate of 5.2 percent. The net proceeds of \$8,520,145 (after payment of \$82,010 in underwriting fees, insurance, and other issuance costs) plus an additional \$35,964 of 1997 Debt Service funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1997 Series bonds. As a result, these 1997 Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net assets.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debts of \$110,000. This difference of \$89,120 at June 30, 2007, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2016 using the effective-interest method. The County completed the advance refunding to reduce its total debt service payments over the next ten years by \$724,935 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of approximately \$255,000.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(6) Long-Term Obligations (Continued)

During 2006 the County issued \$888,889 of bonds via the NM Finance Authority for acquiring real property secured by the County's gross receipts taxes. \$88,889 of the bond proceeds were set aside for debt service.

<u>Date Issued</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Original Bond Amount</u>	<u>June 30, 2007 Balance</u>	<u>Due within One year</u>
May 1, 2006	2.64-2.99%	2009	<u>\$ 888,889</u>	<u>\$ 572,648</u>	<u>\$ 281,915</u>

Scheduled maturities of general obligation, gross receipts and bonds payable issued through the NMFA are as follows for the years subsequent to June 30, 2007:

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 7,336,915	\$ 3,349,164
2009	6,734,731	3,180,152
2010	4,085,000	2,941,242
2011	3,980,000	2,770,161
2012	3,890,000	2,605,627
2013-2017	21,555,000	10,485,459
2018-2022	11,640,000	6,332,400
2023-2027	20,780,000	3,356,125
	<u>\$ 80,001,646</u>	<u>\$ 35,020,330</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 2012	\$ 26,750
State Board of Finance, payable annually at \$7,133, Interest free. Secured by voting machines with final payment due December 2013	49,933
State Board of Finance, payable annually at \$11,200, Interest free. Secured by voting machines with final payment due December 2010	44,800
	\$ 121,483

Year Ending

2008	\$ 23,683
2009	23,683
2010	23,683
2011	23,683
2012	12,483
2013-2014	14,268
	\$ 121,483

On July 18, 2006, the Board of Finance granted a one year moratorium on Voting Machine Revolving Fund Loan payments due to the passing of Senate Bill 295.

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 \$2,000,058 reported as landfill closure and postclosure care liability at June 30, 2007 represents managements' estimate based on an expert hired to estimate the costs for standard monitoring and compliance to 2027. Annual ground water monitoring has demonstrated the County is in compliance with ground

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(6) Long-Term Obligations (Continued)

Landfill Closure and Postclosure Care Cost (Continued)

water contamination. The County is required to perform monitoring of the ground water every five years. The County estimates it will not expend any significant monies for postclosure costs in the next fiscal year. Current year expenditures of \$13,284 were paid by the General Fund. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal 2007. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Compensated Absences

A long-term liability amounting to \$2,579,648 at June 30, 2007 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. Also in 2006, the County defeased \$8,380,000 of the 1997 bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the County's financial statements. On June 30, 2007, \$1,453,000 of the 1990 bonds and \$7,980,000 of the 1997 bonds outstanding are considered defeased.

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.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(6) Long-Term Obligations (Continued)

Rancho Viejo Improvement District Bonds (Continued)

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2008	\$ 35,000	\$ 129,050	\$ 164,050
2009	40,000	126,512	166,512
2010	40,000	123,612	163,612
2011	45,000	120,712	165,712
2012	45,000	117,450	162,450
2013-2017	285,000	532,150	817,150
2018-2022	405,000	413,250	818,250
2023-2027	585,000	242,150	827,150
2028-2029	300,000	32,988	332,988
	<u>\$ 1,780,000</u>	<u>\$ 1,837,874</u>	<u>\$ 3,617,874</u>

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, 2007 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	\$ 1,223,169
Other notes payable to HUD at various interest rates and terms	3,725,274
Total long-term debt	4,948,443
Less: current portion	<u>121,011</u>
Total long-term portion	<u>\$ 4,827,432</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.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(6) Long-Term Obligations (Continued)

Notes Payable – (Housing Services Enterprise Fund) (Continued)

The aggregate maturities of the Housing Services long-term debt at June 30, 2007 are as follows:

<u>Years Ending</u>	<u>Principal Amount Payable</u>
2008	\$ 121,011
2009	129,020
2010	137,029
2011	145,038
2012	153,047
2013-2017	524,732
2018-thereafter	<u>3,738,566</u>
 Total	 <u>\$ 4,948,443</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, 2007, interest rates range from 4.7% to 6.0%. The bonds are secured by the jail facility and income derived from the jail facility.

The maturities of the jail facility's long-term debt at June 30, 2007, is as follows:

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	895,000	1,350,280	2,245,280
2012	945,000	1,303,740	2,248,740
2013-2017	5,485,000	5,751,000	11,236,000
2018-2022	7,085,000	4,150,450	11,235,450
2023-2028	<u>9,465,000</u>	<u>1,769,700</u>	<u>11,234,700</u>
	<u>\$ 26,310,000</u>	<u>\$ 18,629,980</u>	<u>\$ 44,939,980</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(6) Long-Term Obligations (Continued)

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, 2007, there were two series of Project Revenue Bonds outstanding, with an aggregate principal amount payable of \$14,325,000.

The County 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, 2007 the amount of bonds outstanding were \$2,990,000.

Total conduit debt outstanding at June 30, 2007 was \$17,315,000.

(7) 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, 2007, 2006 and 2005 were \$ 5,950,620, \$5,310,887 and \$4,114,267, respectively. The contributions were the required amounts from the County and employees.

The County has no other post employment pension plans.

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.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(7) Retirement, Health and Deferred Compensation Plans (Continued)

Retiree Health Care Act Contributions (Continued)

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.

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, 4308 Carlisle Blvd. NE Suite 104, Albuquerque, New Mexico 87107.

For the fiscal year ended June 30, 2007, the County remitted \$341,186 in employer contributions and \$170,593 in employee contributions to the Retiree Health Care Authority.

(8) Fund Balance and Net Assets (Deficits)

The following funds had fund balance deficits at June 30, 2007:

Enterprise Funds

The Housing Services enterprise fund has a net assets deficit of \$(5,325,847) at June 30, 2007. 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.

Special Revenue Funds

The CFP program has a fund balance deficit of \$(81,040) which will be funded by the General Fund in the next fiscal year. The Corrections Fund has a fund balance deficit of \$(83,427) which should be resolved in the next fiscal year with future revenues. The Community Development Block Grant has a fund balance deficit of \$(10,160).

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(8) Fund Balance and Net Assets (Deficits) (Continued)

Special Revenue Funds (Continued)

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.

(9) Applicable Segment Information

Housing Services - Accounts receivable

The aging of accounts receivable as of June 30, 2007 is as follows:

Current (0-60 days)	\$ 67,048
Past due (more than 61 days)	<u>138,537</u>
	205,585
Less allowance for uncollectible accounts	<u>(148,959)</u>
	<u>\$ 56,626</u>

Housing Services has \$66,703 in-tenant deposits that are deposited in Housing Services' general cash account. Housing Services has \$94,411 in Family Self Services Escrow deposits that are deposited in a separate bank account at First Community Bank and are accounted for in the Section Eight special revenue fund and the liabilities are included in deposits held for others.

(10) 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, 2007.

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

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(10) Commitments and Contingencies (Continued)

Joint Powers Agreements (Continued)

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 2007 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.

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 ITT 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. During the fiscal year neither the County nor the City had to contribute to a contingency reserve. Current year fiscal costs were \$470,551.

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

In July 2007, the County accepted all responsibility for operations and management of the Regional Emergency Communications Center District (RECC). In 2008 financial statements, the RECC will be shown in the County's financial statements as a component unit.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(10) Commitments and Contingencies (Continued)

Joint Powers Agreements (Continued)

The City of Santa Fe and the County have established a joint powers agreement for the Buckman Direct Diversion (BDD) water project. The BDD, estimated at \$160-170 million, will be the largest, single capital project for which the two local governments 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. There were no current fiscal year costs capitalized.

The County and the City of Espanola, County of Los Alamos, Pueblo of Nambe, Pueblo of Pojoaque, County of Rio Arriba, Pueblo of San Ildefonso, Pueblo of San Juan, Pueblo of Santa Clara, City of Santa Fe, and Pueblo of Tesuque have entered into an intergovernmental contract to create the North Central Regional Transit District (District) under the Regional Transit District Act, Chapter 13, Article 25, Sections 1-18, NMSA 1978. The purpose of the District is to finance, construct, operate, maintain and promote an efficient, sustainable and regional multi-modal transportation system. The District was created as a public entity separate from the cities, counties and pueblos. The original boundaries consist of Governmental Units located within or containing the boundaries of Los Alamos, Rio Arriba or Santa Fe Counties. The Board of Directors consists of one director from each District and will serve without compensation. During the fiscal year 2007, the County entered into a contract with the District to provide \$13,600 in funding towards a six-month demonstration of the Eldorado Shuttle Bus Transit Service.

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.

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, 2007 was \$987,569.

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Financial Statements (Continued)

(10) Commitments and Contingencies (Continued)

Operating Leases (Continued)

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

Years ending June 30,

2008	\$ 554,739
2009	428,199
2010	264,760
2011	104,874
2012	72,918
2013-2017	406,855
2018-2022	512,497
2023-2027	345,515
2028-2031	355,587
	<hr/>
	\$ 3,045,944

(11) Accounting Standard Pronouncements

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, 2008. The County belongs to the Retiree Health Care Authority and makes contributions based on state law. In November 2006, GASB issued Statement 49 "Accounting and Financial Reporting for Pollution Remediation Obligations," which is effective for the County's fiscal year ending June 30, 2009. In May 2007, GASB issued Statement 50 "Pension Disclosures – an amendment of GASB Statements 25 and 27," which is effective for the County's fiscal year ending June 30, 2008. In June 2007, GASB issued Statement 51 "Accounting and Financial Reporting for Intangible Assets," which is effective for the County's fiscal year ending June 30, 2010. Also, GASB issued Statement 48, "Sales and Pledges of Receivables and Future Revenues" which is effective for the County's 2008 fiscal year. The County has not assessed the future impact on its financial statements due to these GASB pronouncements.

(12) Subsequent Event

In October 2007, the County issued \$20,000,000 in Series 2007B General Obligation Bonds to pay for water and road infrastructure. Payments will be made January 1 and July 1, beginning on July 1, 2008 with an interest rate range of 4% to 5.5%. The final bond payments will be due July 1, 2027.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit A-1

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

Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	9,000,000	9,000,000	9,629,077	629,077
Interest earnings	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	-	-
Total revenues	9,000,000	9,000,000	\$ 9,629,077	\$ 629,077
Cash balance carryforward	-	1,936,701		
Total	\$ 9,000,000	\$ 10,936,701		
Expenditures:				
General government	\$ 9,000,000	\$ 10,361,567	\$ 4,130,724	\$ 6,230,843
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public Works	-	-	-	-
Total expenditures	\$ 9,000,000	\$ 10,361,567	\$ 4,130,724	\$ 6,230,843
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	24,866	24,866	-
Operating transfers out	-	(600,000)	(600,000)	-
Total other financing sources (uses)	\$ -	\$ (575,134)	\$ (575,134)	\$ -
Net income (loss) - Budgetary basis			\$ 4,923,219	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			173,209	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			2,419,963	
Reversal of prior year accruals			(164,491)	
Change in net assets - GAAP basis			\$ 7,351,900	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit B-1

Capital Project Fund
General Obligation Bond Series 2007
Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-
Interest earnings	-	1,887	421,097	419,210
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	-	-
Total revenues	-	1,887	\$ 421,097	\$ 419,210
Cash balance carryforward	-	-	-	-
Total	\$ -	\$ 1,887		
Expenditures:				
General government	\$ -	\$ 25,035,123	\$ 4,737,348	\$ 20,297,775
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public Works	-	-	-	-
Total expenditures	\$ -	\$ 25,035,123	\$ 4,737,348	\$ 20,297,775
Other financing sources (uses):				
Bond proceeds	\$ -	\$ 25,033,236	\$ 25,033,237	\$ 1
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ -	\$ 25,033,236	\$ 25,033,237	\$ 1
Net income (loss) - Budgetary basis			\$ 20,716,986	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			-	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			4,602,830	
Audit entry for debt issuance cost			(66,035)	
Change in net assets - GAAP basis			\$ 25,253,781	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit C-1

Combining Balance Sheet

Non Major Governmental Funds

June 30, 2007

ASSETS	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Equity in pooled cash investments - Restricted	\$ 20,460,996	\$ 10,886,823	\$ 17,843,898	\$ 49,191,717
Equity in pooled cash investments - Unrestricted	-	-	-	-
Receivables, net of allowance for uncollectibles:				
Taxes	2,534,495	810,719	97,635	3,442,849
Interest	-	12,207	83,373	95,580
Grantor agencies and other	2,408,681	-	2,930,577	5,339,258
Mortgages	10,261,781	-	-	10,261,781
Due from other funds	-	5,719	-	5,719
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets and other debits	<u>\$ 35,665,953</u>	<u>\$ 11,715,468</u>	<u>\$ 20,955,483</u>	<u>\$ 68,336,904</u>
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts payable	\$ 497,549	\$ 450	\$ 1,246,811	\$ 1,744,810
Accrued payroll	65,224	-	-	65,224
Due to other funds	621,621	-	1,333,825	1,955,446
Deferred income	10,685,318	599,651	-	11,284,969
Deposits held for others	94,411	-	-	94,411
Total	<u>11,964,123</u>	<u>600,101</u>	<u>2,580,636</u>	<u>15,144,860</u>
Fund Balance				
Reserved for:				
Encumbrances	2,509,743	-	5,713,421	8,223,164
Debt service	-	11,115,367	-	11,115,367
Total reserved fund equity	<u>2,509,743</u>	<u>11,115,367</u>	<u>5,713,421</u>	<u>19,338,531</u>
Unreserved - Designated for:				
Subsequent year expenditures by grant or law	21,192,087	-	-	21,192,087
Capital improvements	-	-	13,276,085	13,276,085
Unreserved - Undesignated				
Total unreserved fund balances	<u>21,192,087</u>	<u>-</u>	<u>(614,659)</u>	<u>(614,659)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>23,701,830</u>	<u>11,115,367</u>	<u>18,374,847</u>	<u>53,192,044</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, fund equity	<u>\$ 35,665,953</u>	<u>\$ 11,715,468</u>	<u>\$ 20,955,483</u>	<u>\$ 68,336,904</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit C-2

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

Year Ended June 30, 2007

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues				
Grants	\$ 6,293,480	\$ -	\$ 4,270,740	\$ 10,564,220
Property tax	916,297	9,296,687	-	10,212,984
Gross receipts tax	11,426,470	885,089	-	12,311,559
Other taxes and assessments	1,158,549	-	-	1,158,549
Interest earnings	124,036	58,235	1,341,631	1,523,902
Charges for services, fines and penalties	5,252,572	-	-	5,252,572
Other	1,034,674	-	-	1,034,674
Total revenues	<u>26,206,078</u>	<u>10,240,011</u>	<u>5,612,371</u>	<u>42,058,460</u>
Expenditures - Current				
General government	800,755	-	-	800,755
Public safety	4,120,909	-	-	4,120,909
Highways and streets	2,486,727	-	-	2,486,727
Health and welfare	11,318,754	-	-	11,318,754
Culture and recreation	436,140	-	-	436,140
Economic development	271,025	-	-	271,025
Capital outlay	-	-	11,147,266	11,147,266
Debt service (principal and interest)	-	10,061,266	-	10,061,266
Debt issuance costs and other	-	3,467	-	3,467
Total expenditures	<u>19,434,310</u>	<u>10,064,733</u>	<u>11,147,266</u>	<u>40,646,309</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,771,768</u>	<u>175,278</u>	<u>(5,534,895)</u>	<u>1,412,151</u>
Other Financing Sources (Uses)				
Operating transfers, in	1,900,389	1,015,204	600,000	3,515,593
Operating transfers, out	(5,106,403)	(800,000)	(673,668)	(6,580,071)
Total other financing sources (uses)	<u>(3,206,014)</u>	<u>215,204</u>	<u>(73,668)</u>	<u>(3,064,478)</u>
Net changes in fund balances	3,565,754	390,482	(5,608,563)	(1,652,327)
Fund balance, beginning of year	<u>20,136,076</u>	<u>10,724,885</u>	<u>23,983,410</u>	<u>54,844,371</u>
Fund balance end of year	<u>\$ 23,701,830</u>	<u>\$ 11,115,367</u>	<u>\$ 18,374,847</u>	<u>\$ 53,192,044</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, mining 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 documents. 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 providing payment for the Sole Community Provider program.

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 on 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.

STATE OF NEW MEXICO
SANTA FE COUNTY

NON MAJOR SPECIAL REVENUE FUNDS (Continued)

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 created by the Board of County Commissioners.

Correctional Gross Receipts Tax. A 1/8 cent county-wide gross receipts tax was approved by the voters 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.

Alcohol Programs. This fund was created by the County to account for state grants for DWI and Alcohol education grants and programs.

Detox Programs. This fund was created by the County to account for Federal and State grants for the construction and operation of Detox Facilities in the County.

Santa Fe River Restoration. This was created by the County 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.

Indigent Service Fund. This fund is dedicated to providing hospital care, ambulance services or other health care services to indigent people living in 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.

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Balance Sheet

June 30, 2007

	Corrections Fund	Valuation Fund	Road Maintenance	Emergency Medical Services	Farm and Range	Fire Fund
Equity in pooled cash and investments - restricted	\$ -	\$ 943,572	\$ 1,177,478	\$ 128,418	\$ 5,585	\$ 5,832,569
Receivables, net of allowance for uncollectibles:						
Taxes	-	-	78,512	-	-	328,265
Interest	-	-	-	-	-	-
Grantor agencies and other	-	298	-	-	-	2,907
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ -	\$ 943,870	\$ 1,255,990	\$ 128,418	\$ 5,585	\$ 6,163,741

LIABILITIES & FUND BALANCES

Liabilities:						
Accounts payable	\$ 30,444	\$ -	\$ 52,712	\$ 6,029	\$ -	\$ 185,463
Accrued payroll	-	14,521	20,444	-	-	-
Due to other funds	52,983	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	-	-	-	-	-
Total liabilities	83,427	14,521	73,156	6,029	-	185,463
Fund Balances (deficit):						
Reserved fund balance for encumbrances	28,405	24,107	177,071	47,402	-	1,348,021
Reserved fund balance by grant or law	-	905,242	1,005,763	74,987	5,585	-
Total reserved fund balance	28,405	929,349	1,182,834	122,389	5,585	1,348,021
Unreserved fund balance (deficit) designated for subsequent year expenditures	(111,832)	-	-	-	-	4,630,257
Total fund balance (deficit)	(83,427)	929,349	1,182,834	122,389	5,585	5,978,278
Total liabilities & fund balances	\$ -	\$ 943,870	\$ 1,255,990	\$ 128,418	\$ 5,585	\$ 6,163,741

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Balance Sheet (Continued)

June 30, 2007

	Law Enforcement Protection Fund	Lodgers' Tax	Fire Impact Fees	Recreation	Clerk Recording	Indigent Hospital
Equity in pooled cash and investments - restricted	\$ 41,710	\$ 1,228,374	\$ 3,223,930	\$ 9,184	\$ 356,051	\$ 1,230,958
Receivables, net of allowance for uncollectibles:						
Taxes	-	104,216	-	-	-	1,019,230
Interest	-	-	-	-	-	-
Grantor agencies and other	368	-	-	-	-	-
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 42,078	\$ 1,332,590	\$ 3,223,930	\$ 9,184	\$ 356,051	\$ 2,250,188
LIABILITIES & FUND BALANCE						
Liabilities:						
Accounts payable	\$ 2,036	\$ 13,102	\$ -	\$ -	\$ 209	\$ 622
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	-	-	-	-	-
Total liabilities	2,036	13,102	-	-	209	622
Fund Balance (deficit):						
Reserved fund balance for encumbrances	51,891	43,082	323,860	-	47,678	-
Reserved fund balance by grant or law	-	1,276,406	2,900,070	9,184	308,164	2,249,566
Total reserved fund balance	51,891	1,319,488	3,223,930	9,184	355,842	2,249,566
Unreserved fund balance (deficit) designated for subsequent year expenditures	(11,849)	-	-	-	-	-
Total fund balance (deficit)	40,042	1,319,488	3,223,930	9,184	355,842	2,249,566
Total liabilities & fund balances	\$ 42,078	\$ 1,332,590	\$ 3,223,930	\$ 9,184	\$ 356,051	\$ 2,250,188

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Special Revenue Funds
Combining Balance Sheet (Continued)

June 30, 2007

	Economic Development Fund	Federal Forfeitures Monies	Section 8 Voucher Program	Housing Services Grant Program	CFP Program	Developer Fees
Equity in pooled cash and investments - restricted	\$ 5,220	\$ 51,209	\$ 322,598	\$ 2,057,034	\$ -	\$ 1,702,124
Receivables, net of allowance for uncollectibles:						
Taxes	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Grantor agencies and other	-	-	136,307	-	407,260	506,441
Mortgages	-	-	-	-	-	10,261,781
Due from other funds	-	-	-	-	-	-
Total assets	\$ 5,220	\$ 51,209	\$ 458,905	\$ 2,057,034	\$ 407,260	\$ 12,470,346

LIABILITIES & FUND BALANCE

Liabilities:						
Accounts payable	\$ -	\$ 350	\$ 963	\$ -	\$ 868	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	487,432	-
Deferred revenue	-	-	296,257	-	-	10,261,781
Deposits held for others	-	-	94,411	-	-	-
Total liabilities	-	350	391,631	-	488,300	10,261,781
Fund Balance (deficit):						
Reserved fund balance for encumbrances	520	1,842	25,255	2,500	13,392	1,909
Reserved fund balance by grant or law	4,700	49,017	42,019	2,054,534	-	2,206,656
Total reserved fund balance	5,220	50,859	67,274	2,057,034	13,392	2,208,565
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-	-	(94,432)	-
Total fund balance (deficit)	5,220	50,859	67,274	2,057,034	(81,040)	2,208,565
Total liabilities & fund balances	\$ 5,220	\$ 51,209	\$ 458,905	\$ 2,057,034	\$ 407,260	\$ 12,470,346

Non Major Special Revenue Funds
Combining Balance Sheet (Continued)

June 30, 2007

	Correctional	Wildlife	Alcohol	Detox	Santa Fe	Indigent	Totals
	Gross Receipts Tax	Mountain Trails	Programs	Programs	River	Services	
Equity in pooled cash and investments - restricted	\$ 864,522	\$ 467,331	\$ -	\$ 193,192	\$ -	\$ 619,937	\$ 20,460,996
Receivables, net of allowance for uncollectibles:							
Taxes	873,286	-	-	-	-	130,986	2,534,495
Interest	-	-	-	-	-	-	-
Grantor agencies and other	-	42,659	454,471	807,830	49,444	696	2,408,681
Mortgages	-	-	-	-	-	-	10,261,781
Due from other funds	-	-	-	-	-	-	-
Total assets	\$ 1,737,808	\$ 509,990	\$ 454,471	\$ 1,001,022	\$ 49,444	\$ 751,619	\$ 35,665,953
LIABILITIES & FUND BALANCE							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 92,746	\$ 111,526	\$ -	\$ 479	\$ 497,549
Accrued payroll	-	175	9,412	16,316	-	4,356	65,224
Due to other funds	-	-	31,762	-	49,444	-	621,621
Deferred revenue	-	-	127,280	-	-	-	10,685,318
Deposits held for others	-	-	-	-	-	-	94,411
Total liabilities	-	175	261,200	127,842	49,444	4,835	11,964,123
Fund Balance (deficit):							
Reserved fund balance for encumbrances	-	714	139,967	33,047	-	199,080	2,509,743
Reserved fund balance by grant or law	1,737,808	509,101	53,304	840,133	-	547,704	16,779,943
Total reserved fund balance	1,737,808	509,815	193,271	873,180	-	746,784	19,289,686
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-	-	-	-	4,412,144
Total fund balance (deficit)	1,737,808	509,815	193,271	873,180	-	746,784	23,701,830
Total liabilities & fund balances	\$ 1,737,808	\$ 509,990	\$ 454,471	\$ 1,001,022	\$ 49,444	\$ 751,619	\$ 35,665,953

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, Expenditures and Changes in Fund Balances

Year Ended June 30, 2007

	Corrections Fund	Valuation Fund	Road Maintenance	Emergency Medical Services	Farm and Range	Fire Fund
Revenues:						
Grants	\$ -	\$ -	\$ 42,830	\$ 104,141	\$ 950	\$ 1,482,341
Property tax	-	916,297	-	-	-	-
Gross receipts tax	-	-	-	-	-	-
Other taxes and assessments	-	-	701,055	-	-	1,770,177
Interest earnings	-	-	-	-	-	-
Charges for services and fees	190,943	-	11,809	-	-	-
Other	-	-	50,665	-	-	109,796
Total revenues	<u>190,943</u>	<u>916,297</u>	<u>806,359</u>	<u>104,141</u>	<u>950</u>	<u>3,362,314</u>
Expenditures:						
General government	-	681,441	-	-	-	-
Public safety	-	-	-	85,407	-	3,211,777
Highways and streets	-	-	2,486,727	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>681,441</u>	<u>2,486,727</u>	<u>85,407</u>	<u>-</u>	<u>3,211,777</u>
Excess (deficiency) of revenues over expenditures	<u>190,943</u>	<u>234,856</u>	<u>(1,680,368)</u>	<u>18,734</u>	<u>950</u>	<u>150,537</u>
Other financing sources (uses):						
Operating transfers in	-	-	1,738,903	-	-	61,000
Operating transfers out	(250,000)	-	-	-	-	-
Total other financing sources (uses)	<u>(250,000)</u>	<u>-</u>	<u>1,738,903</u>	<u>-</u>	<u>-</u>	<u>61,000</u>
Net change in fund balances	<u>(59,057)</u>	<u>234,856</u>	<u>58,535</u>	<u>18,734</u>	<u>950</u>	<u>211,537</u>
Fund balance (deficit), beginning of year	<u>(24,370)</u>	<u>694,493</u>	<u>1,124,299</u>	<u>103,655</u>	<u>4,635</u>	<u>5,766,741</u>
Fund balance (deficit), end of year	<u>\$ (83,427)</u>	<u>\$ 929,349</u>	<u>\$ 1,182,834</u>	<u>\$ 122,389</u>	<u>\$ 5,585</u>	<u>\$ 5,978,278</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

	Law Enforcement Protection Fund	Lodgers' Tax	Fire Impact Fees	Recreation	Clerk Recording	Indigent Hospital
Revenues:						
Grants	\$ 68,400	\$ -	\$ -	\$ -	\$ -	\$ -
Property tax	-	-	-	-	-	-
Gross receipts tax	-	-	-	-	-	4,871,662
Other taxes and assessments	-	446,690	-	276	-	-
Interest earnings	-	58,604	-	-	-	-
Charges for services and fees	-	-	993,887	-	190,899	-
Other	595	-	-	-	-	12,348
Total revenues	<u>68,995</u>	<u>505,294</u>	<u>993,887</u>	<u>276</u>	<u>190,899</u>	<u>4,884,010</u>
Expenditures:						
General government	-	-	-	-	119,314	-
Public safety	27,594	-	793,115	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	5,285,212
Culture and recreation	-	-	-	-	-	-
Economic development	-	268,887	-	-	-	-
Total expenditures	<u>27,594</u>	<u>268,887</u>	<u>793,115</u>	<u>-</u>	<u>119,314</u>	<u>5,285,212</u>
Excess (deficiency) of revenues over expenditures	41,401	236,407	200,772	276	71,585	(401,202)
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	(15,486)
Total other financing sources (uses)	-	-	-	-	-	(15,486)
Net change in fund balances	41,401	236,407	200,772	276	71,585	(416,688)
Fund balance (deficit), beginning of year	(1,359)	1,083,081	3,023,158	8,908	284,257	2,666,254
Fund balance (deficit), end of year	\$ 40,042	\$ 1,319,488	\$ 3,223,930	\$ 9,184	\$ 355,842	\$ 2,249,566

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

	Economic Development Fund	Federal Forfeitures Monies	Section 8 Voucher Program	Housing Services Grant Program	CFP Program	Developer Fees
Revenues:						
Grants	\$ -	\$ -	\$ 1,907,294	\$ -	\$ 832,804	\$ -
Property tax	-	-	-	-	-	-
Gross receipts tax	-	-	-	-	-	-
Other taxes and assessments	-	10,528	-	-	-	-
Interest earnings	-	-	-	-	-	65,432
Charges for services and fees	-	-	-	-	-	-
Other	-	-	-	-	-	754,770
Total revenues	<u>-</u>	<u>10,528</u>	<u>1,907,294</u>	<u>-</u>	<u>832,804</u>	<u>820,202</u>
Expenditures:						
General government	-	-	-	-	-	-
Public safety	-	3,016	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	1,732,458	-	817,459	2,743
Culture and recreation	-	-	-	-	-	-
Economic development	2,138	-	-	-	-	-
Total expenditures	<u>2,138</u>	<u>3,016</u>	<u>1,732,458</u>	<u>-</u>	<u>817,459</u>	<u>2,743</u>
Excess (deficiency) of revenues over expenditures	<u>(2,138)</u>	<u>7,512</u>	<u>174,836</u>	<u>-</u>	<u>15,345</u>	<u>817,459</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	(174,836)	-	(40,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(174,836)</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>
Net change in fund balances	<u>(2,138)</u>	<u>7,512</u>	<u>-</u>	<u>-</u>	<u>(24,655)</u>	<u>817,459</u>
Fund balance (deficit), beginning of year	<u>7,358</u>	<u>43,347</u>	<u>67,274</u>	<u>2,057,034</u>	<u>(56,385)</u>	<u>1,391,106</u>
Fund balance (deficit), end of year	<u>\$ 5,220</u>	<u>\$ 50,859</u>	<u>\$ 67,274</u>	<u>\$ 2,057,034</u>	<u>\$ (81,040)</u>	<u>\$ 2,208,565</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

	Correctional Gross Receipts Tax	Wildlife Mountain Trails	Alcohol Programs	Detox Programs	Santa Fe River	Indigent Services	Totals
Revenues:							
Grants	\$ -	\$ 24,866	\$ 970,761	\$ 452,226	\$ 406,867	\$ -	\$ 6,293,480
Property tax	-	-	-	-	-	-	916,297
Gross receipts tax	4,784,631	-	-	-	-	-	11,426,470
Other taxes and assessments	-	-	-	-	-	-	1,158,549
Interest earnings	-	-	-	-	-	-	124,036
Charges for services	-	-	87,238	1,694,812	-	2,082,984	5,252,572
Other	-	106,500	-	-	-	-	1,034,674
Total revenues	4,784,631	131,366	1,057,999	2,147,038	406,867	2,082,984	26,206,078
Expenditures:							
General government	-	-	-	-	-	-	800,755
Public safety	-	-	-	-	-	-	4,120,909
Highways and streets	-	-	-	-	-	-	2,486,727
Health and welfare	-	-	852,724	1,276,472	-	1,351,686	11,318,754
Culture and recreation	-	29,273	-	-	406,867	-	436,140
Economic development	-	29,273	-	-	-	-	271,025
Total expenditures	-	29,273	852,724	1,276,472	406,867	1,351,686	19,434,310
Excess (deficiency) of revenues over expenditures	4,784,631	102,093	205,275	870,566	-	731,298	6,771,768
Other financing sources (uses):							
Operating transfers in	-	-	85,000	-	-	15,486	1,900,389
Operating transfers out	(4,500,000)	(24,866)	(101,215)	-	-	-	(5,106,403)
Total other financing sources (uses)	(4,500,000)	(24,866)	(16,215)	-	-	15,486	(3,206,014)
Net change in fund balances	284,631	77,227	189,060	870,566	-	746,784	3,565,754
Fund balance (deficit), beginning of year	1,453,177	432,588	4,211	2,614	-	-	20,136,076
Fund balance (deficit), end of year	\$ 1,737,808	\$ 509,815	\$ 193,271	\$ 873,180	\$ -	\$ 746,784	\$ 23,701,830

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 to Actual (Non-GAAP Basis)

Year Ended June 30, 2007

		Corrections Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	250,000	250,000	190,943	(59,057)
	Other	-	-	-	-
	Total revenues	250,000	250,000	\$ 190,943	\$ (59,057)
Cash balance carryforward		-	28,405		
	Total	\$ 250,000	\$ 278,405		
Expenditures:					
	General government services	\$ -	\$ 28,405	\$ 28,405	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ -	\$ 28,405	\$ 28,405	\$ -
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	(250,000)	(250,000)	(250,000)	-
	Total other financing sources (uses)	\$ (250,000)	\$ (250,000)	\$ (250,000)	\$ -
Net income (loss) - Budgetary basis				\$ (87,462)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			28,405	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ (59,057)	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Valuation Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	763,200	763,200	916,271	153,071
	Interest earnings	-	-	-	-
	Charges for services	-	-	26	26
	Other	-	-	-	-
	Total revenues	763,200	763,200	\$ 916,297	\$ 153,097
	Cash balance carryforward	263,111	263,419		
	Total	\$ 1,026,311	\$ 1,026,619		
Expenditures:					
	General government services	\$ 1,026,311	\$ 1,026,619	\$ 705,548	\$ 321,071
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 1,026,311	\$ 1,026,619	\$ 705,548	\$ 321,071
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net income (loss) - Budgetary basis				\$ 210,749	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			24,107	
	Reversal of prior year accruals			-	
Change in fund balance - GAAP basis				\$ 234,856	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Road Maintenance			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 42,000	\$ 42,000	\$ 42,830	\$ 830
	Taxes and special assessments	690,000	690,000	701,174	11,174
	Interest earnings	-	-	-	-
	Charges for services	10,000	10,000	11,361	1,361
	Other	-	33,872	50,665	16,793
	Total revenues	742,000	775,872	\$ 806,030	\$ 30,158
	Cash balance carryforward	-	366,347		
	Total	\$ 742,000	\$ 1,142,219		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	2,480,903	2,881,122	2,688,268	192,854
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 2,480,903	\$ 2,881,122	\$ 2,688,268	\$ 192,854
Other financing sources (uses):					
	Operating transfers in	\$ 1,738,903	\$ 1,738,903	\$ 1,738,903	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ 1,738,903	\$ 1,738,903	\$ 1,738,903	\$ -
	Net income (loss) - Budgetary basis			\$ (143,335)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			329	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			177,071	
	Reversal of prior year accruals			24,470	
	Change in fund balance - GAAP basis			\$ 58,535	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Emergency Medical Services			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 105,859	\$ 104,141	\$ 104,141	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	105,859	104,141	\$ 104,141	\$ -
Cash balance carryforward		9,151	67,115		
	Total	\$ 115,010	\$ 171,256		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	115,010	171,256	132,809	38,447
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 115,010	\$ 171,256	\$ 132,809	\$ 38,447
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net income (loss) - Budgetary basis				\$ (28,668)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals				-
	To record audit adjustment for expenses				-
	Audit entry to increase reserve for uncollectible accounts				-
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			47,402	
	Reversal of prior year accruals				-
	Change in fund balance - GAAP basis			\$ 18,734	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

	Farm and Range			
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ 1,000	\$ 1,000	\$ 950	\$ (50)
Taxes and special assessments	-	-	-	-
Interest earnings	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	1,000	1,000	\$ 950	\$ (50)
Cash balance carryforward	-	-		
Total	\$ 1,000	\$ 1,000		
Expenditures:				
General government services	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Total expenditures	\$ 1,000	\$ 1,000	\$ -	\$ 1,000
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net income (loss) - Budgetary basis			\$ 950	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			-	
To record audit adjustment for expenses			-	
Audit entry to increase reserve for uncollectible accounts			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			\$ 950	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Fire Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 1,046,521	\$ 1,477,657	\$ 1,482,196	\$ 4,539
	Taxes and special assessments	1,600,000	1,600,000	1,758,013	158,013
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	129,088	109,941	(19,147)
	Total revenues	<u>2,646,521</u>	<u>3,206,745</u>	<u>\$ 3,350,150</u>	<u>\$ 143,405</u>
	Cash balance carryforward	97,785	2,606,209		
	Total	<u>\$ 2,744,306</u>	<u>\$ 5,812,954</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	2,744,306	5,873,954	4,464,810	1,409,144
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 2,744,306</u>	<u>\$ 5,873,954</u>	<u>\$ 4,464,810</u>	<u>\$ 1,409,144</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 61,000	\$ 61,000	-
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 61,000</u>	<u>\$ 61,000</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ (1,053,660)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			12,164	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			1,348,021	
	Reversal of prior year accruals			<u>(94,988)</u>	
	Change in fund balance - GAAP basis			<u>\$ 211,537</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Law Enforcement Protection Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 68,400	\$ 68,400	\$ 68,400	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	595	\$ 595
	Total revenues	68,400	68,400	\$ 68,995	\$ 595
	Cash balance carryforward	-	12,136		
	Total	\$ 68,400	\$ 80,536		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	68,400	80,536	79,485	1,051
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 68,400	\$ 80,536	\$ 79,485	\$ 1,051
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
	Net income (loss) - Budgetary basis			\$ (10,490)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			51,891	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 41,401	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Lodger's Tax			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ 9,000	\$ -	\$ (9,000)
	Taxes and special assessments	367,750	367,750	396,876	29,126
	Interest earnings	-	-	58,604	58,604
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	367,750	376,750	\$ 455,480	\$ 78,730
	Cash balance carryforward	-	10,883		
	Total	<u>\$ 367,750</u>	<u>\$ 387,633</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	367,750	387,633	311,969	75,664
	Total expenditures	<u>\$ 367,750</u>	<u>\$ 387,633</u>	<u>\$ 311,969</u>	<u>\$ 75,664</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ 143,511	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			49,814	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			43,082	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ 236,407</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Fire Impact Fees			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	717,517	993,887	276,370
	Other	-	-	-	-
	Total revenues	-	717,517	993,887	276,370
	Cash balance carryforward	-	2,795,434		
	Total	\$ -	\$ 3,512,951		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	3,512,951	1,129,567	2,383,384
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ -	\$ 3,512,951	\$ 1,129,567	\$ 2,383,384
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
	Net income (loss) - Budgetary basis			\$ (135,680)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			323,860	
	Reversal of prior year accruals			12,592	
	Change in fund balance - GAAP basis			\$ 200,772	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Recreation			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	500	500	276	(224)
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	500	500	<u>\$ 276</u>	<u>\$ (224)</u>
Cash balance carryforward		-	-		
	Total	<u>\$ 500</u>	<u>\$ 500</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	500	500	-	500
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 500</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis				\$ 276	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
Change in fund balance - GAAP basis				<u>\$ 276</u>	

(Continued)

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Clerk Recording			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	190,000	190,000	190,899	899
	Other	-	-	-	-
	Total revenues	<u>190,000</u>	<u>190,000</u>	<u>\$ 190,899</u>	<u>\$ 899</u>
	Cash balance carryforward	31,040	86,319		
	Total	<u>\$ 221,040</u>	<u>\$ 276,319</u>		
Expenditures:					
	General government services	\$ 221,040	\$ 276,319	\$ 180,248	\$ 96,071
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 221,040</u>	<u>\$ 276,319</u>	<u>\$ 180,248</u>	<u>\$ 96,071</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ 10,651	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			47,678	
	Reversal of prior year accruals			13,256	
	Change in fund balance - GAAP basis			<u>\$ 71,585</u>	

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

Year Ended June 30, 2007

		Indigent Hospital			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	4,500,000	4,500,000	4,820,373	320,373
	Interest earnings	-	-	-	-
	Charges for services	1,915,120	-	19	19
	Other	-	-	12,348	12,348
	Total revenues	6,415,120	4,500,000	\$ 4,832,740	\$ 332,740
	Cash balance carryforward	-	1,276,925		
	Total	\$ 6,415,120	\$ 5,776,925		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	6,415,120	5,761,079	5,284,851	476,228
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 6,415,120	\$ 5,761,079	\$ 5,284,851	\$ 476,228
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	(15,846)	(15,846)	-
	Total other financing sources (uses)	\$ -	\$ (15,846)	\$ (15,846)	\$ -
	Net income (loss) - Budgetary basis			\$ (467,597)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			51,270	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			(361)	
	Change in fund balance - GAAP basis			\$ (416,688)	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Economic Development Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
	Cash balance carryforward	-	2,873		
	Total	<u>\$ -</u>	<u>\$ 2,873</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	2,873	2,658	215
	Total expenditures	<u>\$ -</u>	<u>\$ 2,873</u>	<u>\$ 2,658</u>	<u>\$ 215</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ (2,658)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			520	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ (2,138)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Federal Forfeitures Monies			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	10,528	10,528	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	10,528	\$ 10,528	\$ -
	Cash balance carryforward	-	35,631		
	Total	\$ -	\$ 46,159		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	-
	Public safety	-	46,159	4,858	41,301
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ -	\$ 46,159	\$ 4,858	\$ 41,301
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
	Net income (loss) - Budgetary basis			\$ 5,670	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			1,842	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 7,512	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

	Section 8 - Voucher Program			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Grants	\$ 1,838,284	\$ 1,838,284	\$ 1,946,142	\$ 107,858
Taxes and special assessments	-	-	-	-
Interest earnings	-	-	-	-
Charges for services	-	-	4,856	4,856
Other	-	-	-	-
Total revenues	<u>1,838,284</u>	<u>1,838,284</u>	<u>\$ 1,950,998</u>	<u>\$ 112,714</u>
Cash balance carryforward	-	-	-	-
Total	<u>\$ 1,838,284</u>	<u>\$ 1,838,284</u>		
Expenditures:				
General government services	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	1,663,448	1,663,448	1,757,713	(94,265)
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Total expenditures	<u>\$ 1,663,448</u>	<u>\$ 1,663,448</u>	<u>\$ 1,757,713</u>	<u>\$ (94,265)</u>
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	(174,836)	(174,836)	(174,836)	-
Total other financing sources (uses)	<u>\$ (174,836)</u>	<u>\$ (174,836)</u>	<u>\$ (174,836)</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			\$ 18,449	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			(43,704)	
To record audit adjustment for expenses			-	
Audit entry to increase reserve for uncollectible accounts			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			25,255	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			<u>\$ -</u>	

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

Year Ended June 30, 2007

		Housing Services Grant Program			
		Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	-	\$ -	\$ -
Cash balance carryforward		-	2,500		
	Total	\$ -	\$ 2,500		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	2,500	2,500	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ -	\$ 2,500	\$ 2,500	\$ -
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net income (loss) - Budgetary basis				\$ (2,500)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			2,500	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ -	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		CFP Program			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 969,006	\$ 969,006	\$ 539,666	\$ (429,340)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>969,006</u>	<u>969,006</u>	<u>\$ 539,666</u>	<u>\$ (429,340)</u>
	Cash balance carryforward	-	11,640		
	Total	<u>\$ 969,006</u>	<u>\$ 980,646</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	849,478	940,646	830,595	110,051
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 849,478</u>	<u>\$ 940,646</u>	<u>\$ 830,595</u>	<u>\$ 110,051</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	(119,528)	(40,000)	(40,000)	-
	Total other financing sources (uses)	<u>\$ (119,528)</u>	<u>\$ (40,000)</u>	<u>\$ (40,000)</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ (330,929)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			293,138	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			13,392	
	Reversal of prior year accruals			(256)	
	Change in fund balance - GAAP basis			<u>\$ (24,655)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Developer Fees			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	65,432	65,432
	Charges for services	-	-	-	-
	Other	-	10,550	249,670	239,120
	Total revenues	-	10,550	\$ 315,102	\$ 304,552
	Cash balance carryforward	250,000	250,000		
	Total	\$ 250,000	\$ 260,550		
Expenditures:					
	General government services	\$ 250,000	\$ 250,000	\$ -	\$ 250,000
	Public safety	-	-	-	-
	Highways and streets	-	10,550	4,653	5,897
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 250,000	\$ 260,550	\$ 4,653	\$ 255,897
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
	Net income (loss) - Budgetary basis			\$ 310,449	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			505,100	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			1,909	
	Reversal of prior year accruals			1	
	Change in fund balance - GAAP basis			\$ 817,459	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Correctional Gross Receipt Tax			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	4,500,000	4,500,000	4,731,246	231,246
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	4,500,000	4,500,000	\$ 4,731,246	\$ 231,246
Cash balance carryforward		-	-	-	-
	Total	\$ 4,500,000	\$ 4,500,000		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	(4,500,000)	(4,500,000)	(4,500,000)	-
	Total other financing sources (uses)	\$ (4,500,000)	\$ (4,500,000)	\$ (4,500,000)	\$ -
Net income (loss) - Budgetary basis				\$ 231,246	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			53,385	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 284,631	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

Wildlife Mountain Trails

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ -	\$ 36,547	\$ -	\$ (36,547)
Taxes and special assessments	-	-	-	-
Interest earnings	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	106,500	106,500
Total revenues	-	36,547	\$ 106,500	\$ 69,953
Cash balance carryforward	29,379	30,105		
Total	\$ 29,379	\$ 66,652		
Expenditures:				
General government services	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	29,379	41,785	29,987	11,798
Economic development	-	-	-	-
Total expenditures	\$ 29,379	\$ 41,785	\$ 29,987	\$ 11,798
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
Operating transfers out	-	(24,867)	(24,866)	1
Total other financing sources (uses)	\$ -	\$ (24,867)	\$ (24,866)	\$ 1
Net income (loss) - Budgetary basis			\$ 51,647	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			24,866	
To record audit adjustment for expenses			-	
Audit entry to increase reserve for uncollectible accounts			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			714	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			\$ 77,227	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Alcohol Programs Fund			Variance- Favorable (Unfavorable)
		Original Budget	Final Budget	Actual	
Revenues:					
	Grants	\$ 789,099	\$ 981,956	\$ 888,354	\$ (93,602)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	49,700	55,700	107,565	51,865
	Other	-	-	2,829	2,829
	Total revenues	838,799	1,037,656	\$ 998,748	\$ (38,908)
	Cash balance carryforward	-	24,727		
	Total	\$ 838,799	\$ 1,062,383		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	822,584	1,046,168	992,692	53,476
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 822,584	\$ 1,046,168	\$ 992,692	\$ 53,476
Other financing sources (uses):					
	Operating transfers in	\$ 85,000	\$ 85,000	\$ 85,000	\$ -
	Operating transfers out	(101,215)	(101,215)	(101,215)	-
	Total other financing sources (uses)	\$ (16,215)	\$ (16,215)	\$ (16,215)	\$ -
	Net income (loss) - Budgetary basis			\$ (10,159)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			59,251	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			139,967	
	Reversal of prior year accruals			1	
	Change in fund balance - GAAP basis			\$ 189,060	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Detox Programs Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 337,000	\$ 537,000	\$ 495,771	\$ (41,229)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	1,164,419	1,570,428	933,427	(637,001)
	Other	-	-	-	-
	Total revenues	1,501,419	2,107,428	\$ 1,429,198	\$ (678,230)
Cash balance carryforward		-	217,257		
	Total	\$ 1,501,419	\$ 2,324,685		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	1,501,419	2,324,685	1,619,869	704,816
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 1,501,419	\$ 2,324,685	\$ 1,619,869	\$ 704,816
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net income (loss) - Budgetary basis				\$ (190,671)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			717,840	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			33,047	
	Reversal of prior year accruals			310,350	
	Change in fund balance - GAAP basis			\$ 870,566	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Santa Fe River			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ 299,567	\$ 480,823	\$ 181,256
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	299,567	<u>\$ 480,823</u>	<u>\$ 181,256</u>
	Cash balance carryforward	-	107,300		
	Total	<u>\$ -</u>	<u>\$ 406,867</u>		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	406,867	406,867	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ -</u>	<u>\$ 406,867</u>	<u>\$ 406,867</u>	<u>\$ -</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ 73,956	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			(73,956)	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ -</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Indigent Services Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	1,915,120	1,951,999	36,879
	Other	-	-	-	-
	Total revenues	-	1,915,120	<u>\$ 1,951,999</u>	<u>\$ 36,879</u>
	Cash balance carryforward	-	-		
	Total	\$ -	\$ 1,915,120		
Expenditures:					
	General government services	\$ -	\$ -	\$ -	-
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	1,930,606	1,550,766	379,840
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ -	\$ 1,930,606	\$ 1,550,766	379,840
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 15,486	\$ 15,486	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ 15,486	\$ 15,486	\$ -
	Net income (loss) - Budgetary basis			\$ 416,719	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			130,985	
	To record audit adjustment for expenses			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			199,080	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 746,784	

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

Year Ended June 30, 2007

	Totals			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Grants	\$ 5,197,169	\$ 6,364,558	\$ 6,049,273	\$ (315,285)
Taxes and special assessments	12,421,450	12,431,978	13,334,757	902,779
Interest earnings	-	-	124,036	124,036
Charges for services	3,579,239	4,708,765	4,384,982	(323,783)
Other	-	173,510	532,548	359,038
Total revenues	<u>21,197,858</u>	<u>23,678,811</u>	<u>\$ 24,425,596</u>	<u>\$ 746,785</u>
Cash balance carryforward	680,466	8,195,225		
Total	<u>\$ 21,878,324</u>	<u>\$ 31,874,036</u>		
Expenditures:				
General government services	1,498,351	1,582,343	914,201	\$ 668,142
Public safety	2,927,716	9,684,856	5,811,529	3,873,327
Highways and streets	2,480,903	2,891,672	2,692,921	198,751
Health and welfare	11,252,049	13,669,132	12,038,986	1,630,146
Culture and recreation	29,879	449,152	436,854	12,298
Economic development	367,750	390,506	314,627	75,879
Total expenditures	<u>\$ 18,556,648</u>	<u>\$ 28,667,661</u>	<u>\$ 22,209,118</u>	<u>\$ 6,458,543</u>
Other financing sources (uses):				
Operating transfers in	1,823,903	1,900,389	1,900,389	\$ -
Operating transfers out	(5,145,579)	(5,106,764)	(5,106,763)	1
Total other financing sources (uses)	<u>\$ (3,321,676)</u>	<u>\$ (3,206,375)</u>	<u>\$ (3,206,374)</u>	<u>\$ 1</u>
Net income (loss) - Budgetary basis			\$ (989,896)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			1,780,482	
To record audit adjustment for expenses			-	
Audit entry to increase reserve for uncollectible accounts			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			2,509,743	
Reversal of prior year accruals			265,065	
Change in fund balance - GAAP basis			<u>\$ 3,565,394</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

NON MAJOR DEBT SERVICE FUNDS

The following funds have been established by the County as required by the various debt issuances:

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 E-1

Non Major Debt Service Funds
Combining Balance Sheet

June 30, 2007

ASSETS

Equity in pooled cash and investments -
restricted
Taxes receivable
Interest receivable and other
Due from other funds

	Environmental Revenue Bond Fund	NMFA Debt Service Fund	Sheriff's Facility Bond Reserve	Fire Tax Revenue Bond Debt Service	Rancho Viejo Improvement District	Total
	\$ 513,141	\$ 122,814	\$ 456,326	\$ -	\$ 608,138	\$ 10,886,823
	164,132	-	-	-	7,305	810,719
	-	-	12,207	-	-	12,207
	-	-	-	5,719	-	5,719
	\$ 9,186,404	\$ 639,282	\$ -	\$ -	\$ -	\$ -
	\$ 9,825,686	\$ 677,273	\$ 122,814	\$ 468,533	\$ 615,443	\$ 11,715,468

Total assets

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable
Deferred revenue
Total liabilities

Fund Balance

Reserved for debt service

Total liabilities and fund balance

\$ 450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450
593,508	-	-	-	-	6,143	599,651
593,958	-	-	-	-	6,143	600,101
9,231,728	677,273	122,814	468,533	5,719	609,300	11,115,367
\$ 9,825,686	\$ 677,273	\$ 122,814	\$ 468,533	\$ 5,719	\$ 615,443	\$ 11,715,468

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit E-2

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

Year Ended June 30, 2007

	Debt Service	Environmental Revenue Bond Fund	NMFA Debt Service Fund	Sheriffs Facility Bond Reserve	Fire Tax Revenue Bond Debt Service	Rancho Viejo Improvement District	Totals
Revenues:							
Property tax	\$ 8,990,193	\$ -	\$ -	\$ -	\$ -	\$ 306,494	\$ 9,296,687
Gross receipts tax	-	885,089	-	-	-	-	885,089
Other taxes and assessments	-	-	-	-	-	-	-
Interest earnings	85	-	4,785	26,810	-	26,555	58,235
Total revenues	<u>8,990,278</u>	<u>885,089</u>	<u>4,785</u>	<u>26,810</u>	<u>-</u>	<u>333,049</u>	<u>10,240,011</u>
Expenditures:							
Administrative/Issuance costs	1,351	-	2,116	-	-	-	3,467
Debt service charges:							
Principal	6,730,000	-	273,684	140,000	-	35,000	7,178,684
Interest	2,442,259	-	24,310	284,425	-	131,588	2,882,582
Total expenditures	<u>9,173,610</u>	<u>-</u>	<u>300,110</u>	<u>424,425</u>	<u>-</u>	<u>166,588</u>	<u>10,064,733</u>
Excess (deficiency) of revenues over expenditures	<u>(183,332)</u>	<u>885,089</u>	<u>(295,325)</u>	<u>(397,615)</u>	<u>-</u>	<u>166,461</u>	<u>175,278</u>
Other financing sources (uses):							
Operating transfers in	317,669	-	300,110	397,425	-	-	1,015,204
Operating transfers out	-	(800,000)	-	-	-	-	(800,000)
Total other financing sources (uses)	<u>317,669</u>	<u>(800,000)</u>	<u>300,110</u>	<u>397,425</u>	<u>-</u>	<u>-</u>	<u>215,204</u>
Net change in fund balance	134,337	85,089	4,785	(190)	-	166,461	390,482
Fund balance, beginning of year	9,097,391	592,184	118,029	468,723	5,719	442,839	10,724,885
Fund balance, end of year	<u>\$ 9,231,728</u>	<u>\$ 677,273</u>	<u>\$ 122,814</u>	<u>\$ 468,533</u>	<u>\$ 5,719</u>	<u>\$ 609,300</u>	<u>\$ 11,115,367</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 to Actual (Non-GAAP Basis)

Year Ended June 30, 2007

Debt Service

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Property taxes and special assessments	\$ 9,176,160	\$ 8,858,489	\$ 8,975,627	\$ 117,138
Gross receipts tax	-	-	-	-
Interest and other	-	-	85	85
Total revenues	9,176,160	8,858,489	\$ 8,975,712	\$ 117,223
Cash balance carryforward	-	-	-	-
Total	9,176,160	8,858,489		
Expenditures:				
Administrative/Issuance costs	\$ 3,500	\$ 3,500	\$ 1,351	\$ 2,149
Debt service charges:				
Principal	6,730,000	6,730,000	6,730,000	-
Interest	2,442,660	2,442,660	2,442,259	401
Total expenditures	\$ 9,176,160	\$ 9,176,160	\$ 9,173,610	\$ 2,550
Other financing sources (uses):				
Operating transfers in	\$ -	\$ 317,671	\$ 317,669	\$ (2)
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ -	\$ 317,671	\$ 317,669	\$ (2)
Net income (loss) - Budgetary basis			\$ 119,771	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			14,566	
To adjust bond issuance expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			\$ 134,337	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Environmental Revenue Bond Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Gross receipts tax	800,000	800,000	879,006	79,006
	Interest and other	-	-	-	-
	Total revenues	800,000	800,000	\$ 879,006	\$ 79,006
	Cash balance carryforward	-	-	-	-
	Total	800,000	800,000		
Expenditures:					
	Administrative/Issuance costs	\$ -	\$ -	\$ -	\$ -
	Debt service charges:				
	Principal	-	-	-	-
	Interest	-	-	-	-
	Total expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	\$ -	\$ -
	Operating transfers out	(800,000)	(800,000)	(800,000)	-
	Total other financing sources (uses)	\$ (800,000)	\$ (800,000)	\$ (800,000)	\$ -
	Net income (loss) - Budgetary basis			\$ 79,006	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			6,083	
	To adjust bond issuance expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 85,089	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

	NMFA Debt Service Fund			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Gross receipts tax	-	-	-	-
Interest and other	-	-	4,785	4,785
Total revenues	-	-	\$ 4,785	\$ 4,785
Cash balance carryforward	-	-	-	-
Total	-	-	-	-
Expenditures:				
Administrative/Issuance costs	\$ 2,116	\$ 2,116	\$ 2,116	\$ -
Debt service charges:				
Principal	273,684	273,684	273,684	-
Interest	24,310	24,310	24,310	-
Total expenditures	\$ 300,110	\$ 300,110	\$ 300,110	\$ -
Other financing sources (uses):				
Operating transfers in	\$ 300,110	\$ 300,110	\$ 300,110	\$ -
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ 300,110	\$ 300,110	\$ 300,110	\$ -
Net income (loss) - Budgetary basis			\$ 4,785	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			-	
To adjust bond issuance expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			\$ 4,785	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Sheriff's Facility Bond Reserve Fund			Variance- Favorable (Unfavorable)
		Original Budget	Final Budget	Actual	
Revenues:					
	Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Gross receipts tax	-	-	-	-
	Interest and other	27,000	27,000	26,810	(190)
	Total revenues	27,000	27,000	\$ 26,810	\$ (190)
	Cash balance carryforward	-	-	-	-
	Total	27,000	27,000		
Expenditures:					
	Administrative/Issuance costs	\$ -	\$ -	\$ -	\$ -
	Debt service charges:				
	Principal	140,000	140,000	140,000	-
	Interest	284,425	284,425	284,425	-
	Total expenditures	\$ 424,425	\$ 424,425	\$ 424,425	\$ -
Other financing sources (uses):					
	Operating transfers in	\$ 397,425	\$ 397,425	\$ 397,425	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ 397,425	\$ 397,425	\$ 397,425	\$ -
	Net income (loss) - Budgetary basis			\$ (190)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal				-
	To adjust bond issuance expense				-
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes				-
	Reversal of prior year accruals				-
	Change in fund balance - GAAP basis			\$ (190)	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

	Totals (Memorandum Only)			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Property taxes and special assessments	9,176,160	\$ 8,858,489	\$ 8,975,627	\$ 117,138
Gross receipts tax	800,000	800,000	879,006	79,006
Interest and other	27,000	27,000	31,680	4,680
Total revenues	10,003,160	9,685,489	\$ 9,886,313	\$ 200,824
Cash balance carryforward	-	-	-	-
Total	\$ 10,003,160	\$ 9,685,489		
Expenditures:				
Administrative/Issuance costs	\$ 5,616	\$ 5,616	\$ 3,467	\$ 2,149
Debt service charges:				
Principal	7,143,684	7,143,684	7,143,684	-
Interest	2,751,395	2,751,395	2,750,994	401
Total expenditures	\$ 9,900,695	\$ 9,900,695	\$ 9,898,145	\$ 2,550
Other financing sources (uses):				
Operating transfers in	\$ 697,535	\$ 1,015,206	\$ 1,015,204	\$ (2)
Operating transfers out	(800,000)	(800,000)	(800,000)	-
Total other financing sources (uses)	\$ (102,465)	\$ 215,206	\$ 215,204	\$ (2)
Net income (loss) - Budgetary basis			\$ 203,372	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			20,649	
To adjust bond issuance expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			\$ 224,021	

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 fund was established by the County to account for the proceeds from the 1999 Open Space Bonds and 2001 Open Space Bonds. Retirement of 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 an \$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 constructing 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.

General Obligation Bond Series 2005. In the Fiscal Year 2005, voters approved the issuance of a Public Works bond in the amount of \$20 million to be used for various public works projects including certain road projects within the scope of the bond. This capital project fund contains the proceeds of this bond, and the debt on this bond is paid with property taxes through the General Obligation Bond Debt Service Fund.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-1
Page 1 of 2

Non Major Capital Projects Funds
Combining Balance Sheet

June 30, 2007

ASSETS

	Road Projects	Special Appropriations & other Projects	CDBG	GO Bond Proceeds Roads - 1997	NMFA Loan Proceeds	GO Bond Series 2005
Equity in pooled cash and investments - restricted	\$ 74,366	\$ -	\$ -	\$ -	\$ 62,435	\$ 11,695,857
Grantor receivables	1,064,286	1,861,746	4,545	-	-	-
Taxes receivable and special assessments	97,635	-	-	-	-	-
Interest receivable	-	-	-	-	-	56,342
Due from other funds	-	-	-	-	-	-
Total assets	\$ 1,236,287	\$ 1,861,746	\$ 4,545	\$ -	\$ 62,435	\$ 11,752,199

LIABILITIES AND FUND BALANCE

Liabilities:						
Accounts payable	\$ 26,336	\$ 399,288	\$ -	\$ -	\$ -	\$ 788,899
Due to other funds	-	1,313,401	14,705	-	-	-
Total liabilities	26,336	1,712,689	14,705	-	-	788,899
Fund Balance:						
Reserved for encumbrances	39,554	753,556	-	-	-	4,384,535 ✓
Designated for capital improvements	1,170,397	-	-	-	62,435	6,578,765
Unreserved fund balance (deficit)	-	(604,499)	(10,160)	-	-	-
Total fund balance (deficit)	1,209,951	149,057	(10,160)	-	62,435	10,963,300
Total liabilities and fund balance	\$ 1,236,287	\$ 1,861,746	\$ 4,545	\$ -	\$ 62,435	\$ 11,752,199

(Continued)

STATE OF NEW MEXICO
SANTA FE COUNTY

Non Major Capital Projects Funds
Combining Balance Sheet (Continued)

June 30, 2007

ASSETS

	Open Space Bond Proceeds	Bond Proceeds Facility	Bond Proceeds Fire Tax	2001 General Obligation Bond Proceeds	Totals
Equity in pooled cash and investments - restricted	\$ 3,552,460	\$ 518,013	\$ 80,252	\$ 1,860,515	\$ 17,843,898
Grantor receivables	-	-	-	-	2,930,577
Taxes receivable and special assessments	-	-	-	-	97,635
Interest receivable	15,545	-	-	11,486	83,373
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 3,568,005</u>	<u>\$ 518,013</u>	<u>\$ 80,252</u>	<u>\$ 1,872,001</u>	<u>\$ 20,955,483</u>

LIABILITIES AND FUND BALANCE

Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 32,288	\$ 1,246,811
Due to other funds	-	-	5,719	-	1,333,825
Total liabilities	-	-	5,719	32,288	2,580,636
Fund Balance:					
Reserved for encumbrances	9,344	16,288	-	510,144	5,713,421
Designated for capital improvements	3,558,661	501,725	74,533	1,329,569	13,276,085
Unreserved fund balance (deficit)	-	-	-	-	(614,659)
Total fund balance (deficit)	<u>3,568,005</u>	<u>518,013</u>	<u>74,533</u>	<u>1,839,713</u>	<u>18,374,847</u>
Total liabilities and fund balance	<u>\$ 3,568,005</u>	<u>\$ 518,013</u>	<u>\$ 80,252</u>	<u>\$ 1,872,001</u>	<u>\$ 20,955,483</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-2
Page 1 of 2

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

Year Ended June 30, 2007

	Road Projects	Special Appropriations and Other Projects	CDBG	GO Bond Proceeds Road 1997	NMFA Loan Proceeds	GO Bond Series 2005
Revenues:						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	1,745	38	742,534
Federal and state grants	1,087,908	3,182,832	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>1,087,908</u>	<u>3,182,832</u>	<u>-</u>	<u>1,745</u>	<u>38</u>	<u>742,534</u>
Expenditures: Capital Outlay						
General government	-	3,730,287	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	35,160	-	-	-
Highway and Streets	887,268	-	-	23,653	-	2,816,254
Total capital outlay expenditures	<u>887,268</u>	<u>3,730,287</u>	<u>35,160</u>	<u>23,653</u>	<u>-</u>	<u>2,816,254</u>
Excess (deficiency) of revenues over expenditures	200,640	(547,455)	(35,160)	(21,908)	38	(2,073,720)
Other financing sources (uses)						
Operating transfers in	150,000	450,000	-	-	-	-
Operating transfers out	(210,000)	(85,000)	-	(1,745)	-	(61,000)
Total other financing sources (uses)	<u>(60,000)</u>	<u>365,000</u>	<u>-</u>	<u>(1,745)</u>	<u>-</u>	<u>(61,000)</u>
Net change in fund balances	140,640	(182,455)	(35,160)	(23,653)	38	(2,134,720)
Fund balance (deficit), beginning of year	1,069,311	331,512	25,000	23,653	62,397	13,098,020
Fund balance (deficit), end of year	<u>\$ 1,209,951</u>	<u>\$ 149,057</u>	<u>\$ (10,160)</u>	<u>\$ -</u>	<u>\$ 62,435</u>	<u>\$ 10,963,300</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-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, 2007

	Open Spaces Bond Proceeds	Bond Proceeds Facility	Bond Proceeds Fire Tax	2001 General Obligations Bond Proceeds	Totals
Revenues:					
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	226,479	28,078	15,347	327,410	1,341,631
Federal and State grants	-	-	-	-	4,270,740
Other	-	-	-	-	-
Total revenues	<u>226,479</u>	<u>28,078</u>	<u>15,347</u>	<u>327,410</u>	<u>5,612,371</u>
Expenditures: Capital Outlay					
General government	-	20,880	-	2,475,366	6,226,533
Culture and recreation	1,158,398	-	-	-	1,158,398
Public safety	-	-	-	-	-
Health and welfare	-	-	-	-	35,160
Highway and streets	-	-	-	-	3,727,175
Total capital outlay expenditures	<u>1,158,398</u>	<u>20,880</u>	<u>-</u>	<u>2,475,366</u>	<u>11,147,266</u>
Excess (deficiency) of revenues over expenditures	<u>(931,919)</u>	<u>7,198</u>	<u>15,347</u>	<u>(2,147,956)</u>	<u>(5,534,895)</u>
Other financing sources (uses)					
Operating transfers in	-	-	-	-	600,000
Operating transfers out	-	-	-	(315,923)	(673,668)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(315,923)</u>	<u>(73,668)</u>
Net change in fund balances	<u>(931,919)</u>	<u>7,198</u>	<u>15,347</u>	<u>(2,463,879)</u>	<u>(5,608,563)</u>
Fund balance (deficit), beginning of year	<u>4,499,924</u>	<u>510,815</u>	<u>59,186</u>	<u>4,303,592</u>	<u>23,983,410</u>
Fund balance (deficit), end of year	<u>\$ 3,568,005</u>	<u>\$ 518,013</u>	<u>\$ 74,533</u>	<u>\$ 1,839,713</u>	<u>\$ 18,374,847</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 to Actual (Non-GAAP Basis)

Year Ended June 30, 2007

		Road Projects			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	-	-
	Federal and state grants	1,049,836	1,506,081	1,331,636	(174,445)
	Other	-	-	-	-
	Total revenues	1,049,836	1,506,081	\$ 1,331,636	\$ (174,445)
	Cash balance carryforward	210,000	441,838		
	Total	\$ 1,259,836	\$ 1,947,919		
Expenditures:					
	General government	\$ -	\$ -	\$ -	\$ -
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	1,049,836	1,887,919	926,823	961,096
	Total expenditures	\$ 1,049,836	\$ 1,887,919	\$ 926,823	\$ 961,096
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	150,000	150,000	-
	Operating transfers out	(210,000)	(210,000)	(210,000)	-
	Total other financing sources (uses)	\$ (210,000)	\$ (60,000)	\$ (60,000)	\$ -
	Net income (loss) - Budgetary basis			\$ 344,813	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			(243,728)	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			39,554	
	Reversal of prior year accruals			1	
	Change in fund balance - GAAP basis			\$ 140,640	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

		Special Appropriations and Other Projects			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	-	-
	Federal and state grants	10,492,553	13,818,236	2,177,111	(11,641,125)
	Other	-	-	-	-
	Total revenues	<u>10,492,553</u>	<u>13,818,236</u>	<u>\$ 2,177,111</u>	<u>\$ (11,641,125)</u>
	Cash balance carryforward	36,500	865,782		
	Total	<u>\$ 10,529,053</u>	<u>\$ 14,684,018</u>		
Expenditures:					
	General government	\$ 10,444,053	\$ 15,049,018	\$ 4,218,605	\$ 10,830,413
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	<u>\$ 10,444,053</u>	<u>\$ 15,049,018</u>	<u>\$ 4,218,605</u>	<u>\$ 10,830,413</u>
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	450,000	450,000	-
	Operating transfers out	(85,000)	(85,000)	(85,000)	-
	Total other financing sources (uses)	<u>\$ (85,000)</u>	<u>\$ 365,000</u>	<u>\$ 365,000</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ (1,676,494)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			1,005,721	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			753,556	
	Reversal of prior year accruals			<u>(265,238)</u>	
	Change in fund balance - GAAP basis			<u>\$ (182,455)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

Community Development Block Grant				
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	-
Federal and state grants	-	50,000	53,129	3,129
Other	-	-	-	-
Total revenues	-	50,000	\$ 53,129	\$ 3,129
Cash balance carryforward	-	-	-	-
Total	\$ -	\$ 50,000	-	-
Expenditures:				
General government	\$ -	\$ 50,000	\$ -	\$ 50,000
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highway and streets	-	-	-	-
Total expenditures	\$ -	\$ 50,000	\$ -	\$ 50,000
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net income (loss) - Budgetary basis			\$ 53,129	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			(53,129)	
To record audit adjustment for bad debt expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
Reversal of prior year accruals			(35,160)	
Change in fund balance - GAAP basis			\$ (35,160)	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
Page 4 of 9

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

Year Ended June 30, 2007

		GO Bond Proceeds Roads - 1997			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	-
	Interest earnings	-	1,747	1,745	(2)
	Federal and state grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>-</u>	<u>1,747</u>	<u>\$ 1,745</u>	<u>\$ (2)</u>
	Cash balance carryforward	-	23,653		
	Total	<u>\$ -</u>	<u>\$ 25,400</u>		
Expenditures:					
	General government	\$ -	\$ -	\$ -	-
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	23,653	23,653	-
	Total expenditures	<u>\$ -</u>	<u>\$ 23,653</u>	<u>\$ 23,653</u>	<u>-</u>
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	(1,747)	(1,745)	2
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (1,747)</u>	<u>\$ (1,745)</u>	<u>\$ 2</u>
	Net income (loss) - Budgetary basis			\$ (23,653)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			-	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ (23,653)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
Page 5 of 9

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

Year Ended June 30, 2007

		GO Bond Series 2005			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	298,469	298,469	742,534	444,065
	Federal and state grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>298,469</u>	<u>298,469</u>	<u>\$ 742,534</u>	<u>\$ 444,065</u>
	Cash balance carryforward	11,604,454	12,692,871		
	Total	<u>\$ 11,902,923</u>	<u>\$ 12,991,340</u>		
Expenditures:					
	General government	\$ -	\$ -	\$ -	\$ -
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highways and streets	11,902,923	12,930,340	6,688,499	6,241,841
	Total expenditures	<u>\$ 11,902,923</u>	<u>\$ 12,930,340</u>	<u>\$ 6,688,499</u>	<u>\$ 6,241,841</u>
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	(61,000)	(61,000)	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (61,000)</u>	<u>\$ (61,000)</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			\$ (6,006,965)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			-	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			4,384,535	
	Reversal of prior year accruals			(512,290)	
	Change in net assets - GAAP basis			<u>\$ (2,134,720)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
page 6 of 9

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

Year Ended June 30, 2007

	Open Space Bonds Proceeds			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	226,479	226,479
Federal and state grants	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	\$ 226,479	\$ 226,479
Cash balance carryforward	4,419,440	4,447,401		
Total	\$ 4,419,440	\$ 4,447,401		
Expenditures:				
General government	\$ -	\$ -	\$ -	\$ -
Culture and recreation	4,419,440	4,447,401	1,167,742	3,279,659
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highway and streets	-	-	-	-
Total expenditures	\$ 4,419,440	\$ 4,447,401	\$ 1,167,742	\$ 3,279,659
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net income (loss) - Budgetary basis			\$ (941,263)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			-	
To record audit adjustment for bad debt expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			9,344	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			\$ (931,919)	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
page 7 of 9

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

Year Ended June 30, 2007

	Bond Proceeds Facility			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	28,078	28,078
Federal and state grants	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	<u>\$ 28,078</u>	<u>\$ 28,078</u>
Cash balance carryforward	<u>400,973</u>	<u>417,273</u>		
Total	<u>\$ 400,973</u>	<u>\$ 417,273</u>		
Expenditures:				
General government	\$ 400,973	\$ 417,273	\$ 118,714	\$ 298,559
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highway and streets	-	-	-	-
Total expenditures	<u>\$ 400,973</u>	<u>\$ 417,273</u>	<u>\$ 118,714</u>	<u>\$ 298,559</u>
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			\$ (90,636)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			-	
To record audit adjustment for bad debt expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			16,288	
Reversal of prior year accruals			<u>81,546</u>	
Change in fund balance - GAAP basis			<u>\$ 7,198</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit F-3
page 8 of 9

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

Year Ended June 30, 2007

		2001 General Obligation Bond Proceeds			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	315,924	327,410	11,486
	Federal and State grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	315,924	\$ 327,410	\$ 11,486
	Cash balance carryforward	3,782,974	4,199,933		
	Total	\$ 3,782,974	\$ 4,515,857		
Expenditures:					
	General government	\$ 3,782,974	\$ 4,199,933	\$ 3,066,209	\$ 1,133,724
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	\$ 3,782,974	\$ 4,199,933	\$ 3,066,209	\$ 1,133,724
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	\$ -	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	(315,924)	(315,923)	1
	Total other financing sources (uses)	\$ -	\$ (315,924)	\$ (315,923)	\$ 1
	Net income (loss) - Budgetary basis			\$ (3,054,722)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			-	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			510,144	
	Reversal of prior year accruals			80,699	
	Change in fund balance - GAAP basis			\$ (2,463,879)	

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, 2007

	Totals (Memorandum Only)			
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Interest earnings	298,469	616,140	1,326,246	710,106
Federal and state grants	11,542,389	15,374,317	3,561,876	(11,812,441)
Other	-	-	-	-
Total revenues	11,840,858	15,990,457	\$ 4,888,122	\$ (11,102,335)
Cash balance carryforward	20,454,341	23,088,751		
Total	\$ 32,295,199	\$ 39,079,208		
Expenditures:				
General government	\$ 14,628,000	\$ 19,716,224	\$ 7,403,528	\$ 12,312,696
Culture and recreation	4,419,440	4,447,401	1,167,742	3,279,659
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highway and street	12,952,759	14,841,912	7,638,975	7,202,937
Total expenditures	\$ 32,000,199	\$ 39,005,537	\$ 16,210,245	\$ 22,795,292
Other financing sources (uses)				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	600,000	600,000	-
Operating transfers out	(295,000)	(673,671)	(673,668)	3
Total other financing sources (uses)	\$ (295,000)	\$ (73,671)	\$ (73,668)	\$ 3
Net income (loss) - Budgetary basis			\$ (11,395,791)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			708,864	
To record audit adjustment for bad debt expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			5,713,421	
Reversal of prior year accruals			(650,442)	
Change in fund balance - GAAP basis			\$ (5,623,948)	

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.

Adult Inmate Trust

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

Juvenile Inmate Trust

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

STATE OF NEW MEXICO
SANTA FE COUNTY

Agency Funds
Combining Balance Sheet

June 30, 2007

	County Treasurer	Sheriff's Bond Fund	Writ Fund	Confiscated Property	Adult Inmate Trust	Juvenile Inmate Trust	Totals
ASSETS							
Equity in pooled cash and investments - restricted	\$ 2,011,616	\$ 359,980	\$ 5,619	\$ 43,958	\$ 209,633	\$ 6,131	\$ 2,636,937
Taxes receivable	5,690,583	-	-	-	-	-	5,690,583
Total assets	\$ 7,702,199	\$ 359,980	\$ 5,619	\$ 43,958	\$ 209,633	\$ 6,131	\$ 8,327,520
LIABILITIES							
Due to other governments	\$ 5,690,583	-	-	-	-	-	\$ 5,690,583
Taxes paid in advance	1,458,542	-	-	-	-	-	1,458,542
Deposits held for others	-	359,980	5,619	43,958	209,633	6,131	625,321
Undistributed taxes to other governments	553,074	-	-	-	-	-	553,074
Total liabilities	\$ 7,702,199	\$ 359,980	\$ 5,619	\$ 43,958	\$ 209,633	\$ 6,131	\$ 8,327,520

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

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit G-2
Page 1 of 2

Agency Funds
Combining Statement of Changes in Assets and Liabilities

Year Ended June 30, 2007

	June 30, 2006	Additions	Deletions	June 30, 2007
COUNTY TREASURER				
Assets:				
Equity in pooled cash and investments - restricted	\$ 1,280,981	\$ 105,967,969	\$ (105,237,334)	\$ 2,011,616
Property taxes receivable	5,942,793	105,093,862	(105,346,072)	5,690,583
Total assets	\$ 7,223,774	\$ 211,061,831	\$ (210,583,406)	\$ 7,702,199
Liabilities:				
Due to other governments	\$ 5,942,793	\$ 105,093,862	\$ (105,346,072)	\$ 5,690,583
Overpayments and taxes paid in advance	814,488	1,088,389	(444,335)	1,458,542
Due to other funds	-	40,727,577	(40,727,577)	-
Undistributed taxes to other governments	466,493	64,152,003	(64,065,422)	553,074
Total liabilities	\$ 7,223,774	\$ 211,061,831	\$ (210,583,406)	\$ 7,702,199
SHERIFF'S BOND FUND				
Assets - Equity in pooled cash and investments - restricted	\$ 316,806	\$ 1,184,039	\$ (1,140,865)	\$ 359,980
Liabilities - Deposits held for others	\$ 316,806	\$ 1,184,039	\$ (1,140,865)	\$ 359,980
WRIT FUND				
Assets - Equity in pooled cash and investments - restricted	\$ 366	\$ 105,495	\$ (100,242)	\$ 5,619
Liabilities - Deposits held for others	\$ 366	\$ 105,495	\$ (100,242)	\$ 5,619

STATE OF NEW MEXICO
SANTA FE COUNTY

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

Year Ended June 30, 2007

	June 30, 2006	Additions	Deletions	June 30, 2007
CONFISCATED PROPERTY				
Assets - Equity in pooled cash and investments - restricted	\$ 43,437	\$ 533	\$ (12)	\$ 43,958
Liabilities - Deposits held for others	\$ 43,437	\$ 533	\$ (12)	\$ 43,958
ADULT INMATE TRUST				
Assets - Equity in pooled cash and investments - restricted	\$ 192,379	\$ 764,782	\$ (747,528)	\$ 209,633
Liabilities - Deposits held for others	\$ 192,379	\$ 764,782	\$ (747,528)	\$ 209,633
JUVENILE INMATE TRUST				
Assets - Equity in pooled cash and investments - restricted	\$ 13,562	\$ 29,008	\$ (36,439)	\$ 6,131
Liabilities - Deposits held for others	\$ 13,562	\$ 29,008	\$ (36,439)	\$ 6,131
TOTALS ALL AGENCY FUNDS				
Assets:				
Equity in pooled cash and investments - restricted	\$ 1,847,531	\$ 108,051,826	\$ (107,262,420)	\$ 2,636,937
Property taxes receivable	5,942,793	105,093,862	(105,346,072)	5,690,583
Total assets	<u>\$ 7,790,324</u>	<u>\$ 213,145,688</u>	<u>\$ (212,608,492)</u>	<u>\$ 8,327,520</u>
Liabilities:				
Due to other governments	\$ 5,942,793	\$ 105,093,862	\$ (105,346,072)	\$ 5,690,583
Overpayments and taxes paid in advance	814,488	1,088,389	(444,335)	1,458,542
Deposits held for others	566,550	2,083,857	(2,025,086)	625,321
Due to other funds	-	40,727,577	(40,727,577)	-
Undistributed taxes to other governments	466,493	64,152,003	(64,065,422)	553,074
Total liabilities	<u>\$ 7,790,324</u>	<u>\$ 213,145,688</u>	<u>\$ (212,608,492)</u>	<u>\$ 8,327,520</u>

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

STATE OF NEW MEXICO
SANTA FE COUNTY

Enterprise Funds
Combining Statement of Revenues and Expenditures
Budget to Actual (Non-GAAP Basis)
Year Ended June 30, 2007

	Housing Services			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 329,664	\$ 329,664	\$ 367,077	\$ 37,413
Water sales	-	-	-	-
Other revenues	-	-	603	603
Total Revenues	<u>329,664</u>	<u>329,664</u>	<u>367,680</u>	<u>\$ 38,016</u>
Cash balance carryforward	<u>91,056</u>	<u>146,706</u>		
Total	<u>\$ 420,720</u>	<u>\$ 476,370</u>		
Operating expenditures:				
Public safety	\$ -	\$ -	-	\$ -
Health and welfare	<u>1,280,887</u>	<u>1,257,009</u>	<u>1,085,307</u>	<u>171,702</u>
Total operating expenditures	<u>\$ 1,280,887</u>	<u>\$ 1,257,009</u>	<u>1,085,307</u>	<u>\$ 171,702</u>
Total operating income (loss)			<u>(717,627)</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	\$ -
HUD operating subsidy and other federal/state funds	<u>565,803</u>	<u>565,803</u>	<u>390,466</u>	<u>(175,337)</u>
Transfers in (out)	<u>294,364</u>	<u>214,836</u>	<u>214,836</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>\$ 860,167</u>	<u>\$ 780,639</u>	<u>605,302</u>	<u>\$ (175,337)</u>
Net income (loss) - Budgetary basis			(112,325)	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			201,717	
To record contributed capital not recorded as budgetary revenue			12,545	
To record audit adjustment for revenue			208,200	
To record interest expense			(344,366)	
Audit entry to increase reserve for uncollectible receivables			(40,000)	
Capital outlay expenditures expensed for budgetary purposes			6,629	
Depreciation and amortization expenses not recorded as budgetary expenditures			(240,812)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			31,697	
Reversal of prior year accruals			(184,242)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Contribution of assets to the Home Sales fund			<u>(135,629)</u>	
Change in net assets - GAAP basis			<u>\$ (596,586)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit H-1
Page 2 of 6

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

Year Ended June 30, 2007

	Utilities Department			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ -	\$ -	\$ -	\$ -
Water sales	1,641,988	1,641,988	1,607,204	(34,784)
Other revenues	12,641	12,641	16,806	4,165
Total Revenues	<u>1,654,629</u>	<u>1,654,629</u>	<u>1,624,010</u>	<u>\$ (30,619)</u>
Cash balance carryforward	-	137,471		
Total	<u>\$ 1,654,629</u>	<u>\$ 1,792,100</u>		
Operating expenditures:				
Public safety	\$ 1,784,277	\$ 2,101,561	1,533,839	\$ 567,722
Health and welfare	-	-	-	-
Total operating expenditures	<u>\$ 1,784,277</u>	<u>\$ 2,101,561</u>	<u>1,533,839</u>	<u>\$ 567,722</u>
Total operating income (loss)			90,171	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	\$ -
HUD operating subsidy and other federal/state funds	-	179,813	-	(179,813)
Transfers in (out)	129,648	129,648	129,648	-
Total non-operating revenues (expenses)	<u>\$ 129,648</u>	<u>\$ 309,461</u>	<u>129,648</u>	<u>\$ (179,813)</u>
Net income (loss) - Budgetary basis			219,819	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			1,393,230	
To record audit adjustment for revenue			(810)	
To record interest expense			-	
Audit entry to increase reserve for uncollectible receivables			(112,270)	
Capital outlay expenditures expensed for budgetary purposes			31,178	
Depreciation and amortization expenses not recorded as budgetary expenditures			(252,894)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			150,230	
Reversal of prior year accruals			-	
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>\$1,428,483</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit H-1
Page 3 of 6

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

Year Ended June 30, 2007

	Santa Fe County Jail Facility			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$10,628,213	\$10,648,213	\$ 10,601,676	\$ (46,537)
Water sales	-	-	-	-
Other revenues	220,000	100,000	64,654	(35,346)
Total Revenues	10,848,213	10,748,213	10,666,330	\$ (81,883)
Cash balance carryforward	478,950	4,518,569		
 Total	<u>\$11,327,163</u>	<u>\$15,266,782</u>		
Operating expenditures:				
Public safety	\$22,577,099	\$26,767,085	20,748,198	\$ 6,018,887
Health and welfare	-	-	-	-
Total operating expenditures	<u>\$22,577,099</u>	<u>\$26,767,085</u>	20,748,198	\$ 6,018,887
Total operating income (loss)			<u>(10,081,868)</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ 120,000	280,614	\$ 160,614
HUD operating subsidy and other federal/state/local funds	58,000	188,367	294,916	106,549
Transfers in (out)	11,191,936	11,191,936	11,191,936	-
Total non-operating revenues (expenses)	<u>\$11,249,936</u>	<u>\$11,500,303</u>	11,767,466	\$ 267,163
Net income (loss) - Budgetary basis			1,685,598	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			53,085	
To record audit adjustment for revenue			4,601,830	
To adjust interest expense			30,979	
Audit entry to increase reserve for uncollectible accounts			(552,228)	
Capital outlay expenditures expensed for budgetary purposes			579,194	
Depreciation and amortization expenses not recorded as budgetary expenditures			(1,142,149)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			1,069,990	
Reversal of prior year accruals			(2,933,331)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			735,000	
Contribution of assets to the Home Sales fund			-	
Change in net assets - GAAP basis			<u>\$ 4,127,968</u>	

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

Year Ended June 30, 2007

	Regional Planning Authority			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ -	\$ -	\$ -	\$ -
Water sales	-	-	-	-
Other revenues	-	100,000	27,203	(72,797)
Total Revenues	-	100,000	27,203	\$ (72,797)
Cash balance carryforward	20,720	126,123		
 Total	<u>\$ 20,720</u>	<u>\$ 226,123</u>		
Operating expenditures:				
Public safety	\$ 20,720	\$ 226,123	81,320	\$ 144,803
Health and welfare	-	-	-	-
Total operating expenditures	<u>\$ 20,720</u>	<u>\$ 226,123</u>	<u>81,320</u>	<u>\$ 144,803</u>
Total operating income (loss)			<u>(54,117)</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	\$ -
HUD operating subsidy and other federal funds	-	-	-	-
Transfers in (out)	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			(54,117)	
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			11,485	
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			105	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			2,071	
Reversal of prior year accruals			-	
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>\$ (40,456)</u>	

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit H-1
Page 5 of 6

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

Year Ended June 30, 2007

	Home Sales			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ -	\$ -	\$ -	\$ -
Water sales	-	-	-	-
Other revenues	-	-	484,424	484,424
Total Revenues	-	-	484,424	\$ 484,424
Cash balance carryforward	-	325,000		
Total	\$ -	\$ 325,000		
Operating expenditures:				
Public safety	\$ -	\$ -	-	-
Health and welfare	-	325,000	15,990	309,010
Total operating expenditures	\$ -	\$ 325,000	15,990	\$ 309,010
Total operating income (loss)			468,434	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	-
HUD operating subsidy and other federal funds	-	-	-	-
Transfers in (out)	-	-	-	-
Total non-operating revenues (expenses)	\$ -	\$ -	\$ -	\$ -
Net income (loss) - Budgetary basis			468,434	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			142,919	
To record audit adjustment for revenue			(319,394)	
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			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
Reversal of prior year accruals			(370,440)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Contribution of assets to the Home Sales fund			-	
Net income - GAAP basis			\$ (78,481)	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit H-1
Page 6 of 6

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

Year Ended June 30, 2007

	Totals (Memorandum Only)			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 10,957,877	\$ 10,977,877	\$10,968,753	\$ (9,124)
Water sales	1,641,988	1,641,988	1,607,204	(34,784)
Other revenues	232,641	212,641	593,690	381,049
Total Revenues	<u>12,832,506</u>	<u>12,832,506</u>	<u>13,169,647</u>	<u>\$ 337,141</u>
Cash balance carryforward	590,726	5,253,869		
Total	<u>\$ 13,423,232</u>	<u>\$ 18,086,375</u>		
Operating expenditures:				
Public safety	\$ 24,382,096	\$ 29,094,769	\$22,363,357	6,731,412
Health and welfare	1,280,887	1,582,009	1,101,297	480,712
Total operating expenditures	<u>\$ 25,662,983</u>	<u>\$ 30,676,778</u>	<u>23,464,654</u>	<u>\$ 7,212,124</u>
Total operating income (loss)			<u>(10,295,007)</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ 120,000	\$ 280,614	\$ 160,614
HUD operating subsidy and other federal funds	623,803	933,983	685,382	(248,601)
Transfers in (out)	11,615,948	11,536,420	11,536,420	-
Total non-operating revenues (expenses)	<u>\$ 12,239,751</u>	<u>\$ 12,590,403</u>	<u>\$12,502,416</u>	<u>\$ (87,987)</u>
Net income (loss) - Budgetary basis			2,207,409	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			201,717	
To record contributed capital not recorded as budgetary revenue			1,601,779	
To record audit adjustment for revenue			4,501,311	
To record interest expense			(313,387)	
Audit entry to increase reserve for uncollectible accounts			(704,498)	
Capital outlay expenditures expensed for budgetary purposes			617,001	
Depreciation and amortization expenses not recorded as budgetary expenditures			(1,635,750)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			1,253,988	
Reversal of prior year accruals			(3,488,013)	
Principal repayment of debt recorded as an expenditure for budgetary purposes			735,000	
Contribution of assets to the Home Sales fund			(135,629)	
Net income - GAAP basis			<u>\$ 4,840,928</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit I-1

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

Year Ended June 30, 2007

Property taxes receivable, July 1, 2006	\$ 9,671,341
Net taxes charged to Treasurer	106,028,567
Net adjustments and other	(839,554)
Collections	<u>(105,346,073)</u>
 Property taxes receivable, June 30, 2007	 <u>\$ 9,514,281</u>

Property taxes receivable as of June 30, 2007,
Property taxes receivable by year:

1997	\$ 43,301
1998	86,997
1999	118,092
2000	163,714
2001	200,490
2002	280,240
2003	463,738
2004	784,728
2005	1,545,564
2006	<u>5,827,417</u>
 Total taxes receivable, net	 <u>\$ 9,514,281</u>

Distribution of collected property taxes:

Santa Fe County	\$ 40,357,424
State of New Mexico	6,848,722
Edgewood Soil and Water	122,565
City of Santa Fe	3,591,319
City of Española	111,513
Santa Fe Community College	13,427,957
School Districts	38,800,847
El Dorado Water & Sanitation	841,349
Livestock	14,656
Rancho Viejo Improvement District	<u>306,494</u>
 Total tax distribution	 <u>\$ 104,422,847</u>

Property taxes receivable distribution:

Santa Fe County	\$ 3,816,393
State of New Mexico	592,138
Edgewood Soil & Water	18,093
City of Santa Fe	249,912
City of Española	20,305
Santa Fe Community College	1,305,709
School Districts	3,469,335
El Dorado Water & Sanitation	27,905
Livestock	7,184
Rancho Viejo Improvement District - Component unit of the County	<u>7,307</u>
 Total	 <u>\$ 9,514,281</u>

STATE OF NEW MEXICO
SANTA FE COUNTY TREASURER'S
PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007

Exhibit I-2
Page 1 of 2

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
Santa Fe County:									
County Operational									
1997-2005	\$ 189,439,895	\$ 1,830,760	\$ 188,243,623	\$ 1,767,725	\$ 188,180,588	\$ 15,188	\$ -	\$ 63,035	\$ 1,196,272
2006	31,727,253	29,819,608	29,819,608	29,585,683	29,585,683	-	-	233,925	1,907,645
Total County Operational	221,167,148	31,650,368	218,063,231	31,353,408	217,766,271	15,188	-	296,960	3,103,917
County Debt Service									
1997-2005	31,535,940	463,347	31,304,298	449,700	31,290,651	1,191	-	13,647	231,642
2006	9,094,695	8,613,862	8,613,862	8,554,316	8,554,316	-	-	59,545	480,834
Total County Debt Service	40,630,635	9,077,209	39,918,160	9,004,016	39,844,967	1,191	-	73,192	712,476
Total Santa Fe County	261,797,783	40,727,577	257,981,391	40,357,424	257,611,238	16,379	-	370,152	3,816,393
State of New Mexico:									
State Debt									
1997-2005	45,962,872	352,895	45,736,530	340,988	45,724,623	4,631	-	11,907	226,342
2006	6,918,830	6,553,034	6,553,034	6,507,734	6,507,734	-	-	45,300	365,796
Total State Debt	52,881,702	6,905,929	52,289,564	6,848,722	52,232,357	4,631	-	57,207	592,138
Live Stock Board									
1997-2005	124,269	2,299	119,461	2,298	119,461	31	-	-	4,808
2006	14,742	12,365	12,365	12,358	12,358	-	-	8	2,376
Total Live Stock Board	139,011	14,664	131,826	14,656	131,819	31	-	8	7,184
Total State of New Mexico	53,020,713	6,920,593	52,421,390	6,863,378	52,364,176	4,662	-	57,215	599,322
Municipalities:									
City of Santa Fe									
1997-2005	12,744,154	100,556	12,677,321	96,820	12,673,585	899	-	3,736	66,833
2006	3,704,494	3,521,415	3,521,415	3,494,499	3,494,499	-	-	26,916	183,079
Total City of Santa Fe	16,448,648	3,621,971	16,198,736	3,591,319	16,168,084	899	-	30,652	249,912
City of Espanola									
1997-2005	858,156	9,677	847,891	9,041	847,255	223	-	636	10,265
2006	113,664	103,624	103,624	102,472	102,472	-	-	1,152	10,040
Total of City of Espanola	971,820	113,301	951,515	111,513	949,727	223	-	1,788	20,305
Total Municipalities	17,420,468	3,735,272	17,150,251	3,702,832	17,117,811	1,122	-	32,440	270,217
School Districts:									
Santa Fe Public Schools									
1997-2005	216,835,120	1,806,682	215,754,846	1,754,346	215,702,510	15,030	-	52,336	1,080,274
2006	35,077,273	33,270,066	33,270,066	33,047,647	33,047,647	-	-	222,419	1,807,207
Total Santa Fe Public Schools	251,912,393	35,076,748	249,024,912	34,801,993	248,750,157	15,030	-	274,755	2,887,481
Espanola Schools									
1997-2005	5,658,418	87,182	5,569,499	81,580	5,563,896	1,020	-	5,603	88,919
2006	633,233	566,908	566,908	559,654	559,654	-	-	7,254	66,325
Total Espanola Schools	6,291,651	654,090	6,136,407	641,234	6,123,550	1,020	-	12,857	155,244
Pojoaque Schools									
1997-2005	10,880,434	155,714	10,784,962	145,431	10,774,679	1,264	-	10,283	95,472
2006	1,583,027	1,483,920	1,483,920	1,465,407	1,465,407	-	-	18,513	99,107
Total Pojoaque Schools	12,463,461	1,639,634	12,268,882	1,610,838	12,240,086	1,264	-	28,796	194,579
Moriarty Schools									
1997-2005	11,981,972	144,304	11,866,733	134,187	11,856,617	1,409	-	10,116	115,239
2006	1,741,723	1,624,930	1,624,930	1,612,595	1,612,595	-	-	12,336	116,792
Total Moriarty Schools	13,723,695	1,769,234	13,491,663	1,746,782	13,469,212	1,409	-	22,452	232,031

STATE OF NEW MEXICO
SANTA FE COUNTY TREASURER'S
PROPERTY TAX SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2007

Exhibit I-2
Page 2 of 2

Agency	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year End	County Receivable at Year End
Schools Districts (Cont.):									
Santa Fe Community College									
1997-2005	103,593,240	976,172	103,037,652	948,954	103,010,433	8,212	-	27,218	555,589
2006	13,320,339	12,570,219	12,570,219	12,479,003	12,479,003	-	-	91,216	750,120
Total Santa Fe Community College	116,913,579	13,546,391	115,607,871	13,427,957	115,489,436	8,212	-	118,434	1,305,709
Total School District	401,304,779	52,686,097	396,529,735	52,228,804	396,072,441	26,935	-	457,294	4,775,044
Special Districts:									
Edgewood Soil & Water Conservation									
1997-2005	1,011,879	10,263	1,002,158	9,653	1,001,549	118	-	609	9,721
2006	122,033	113,661	113,661	112,912	112,912	-	-	749	8,372
Total Edgewood Soil & Water Conservation	1,133,912	123,924	1,115,819	122,565	1,114,461	118	-	1,358	18,093
Eldorado Water & Sanitation									
1997-2005	2,570,798	19,152	2,565,577	18,934	2,565,360	-	-	217	5,221
2006	848,474	825,790	825,790	822,415	822,415	-	-	3,375	22,684
Total Eldorado Water & Sanitation	3,419,272	844,942	3,391,367	841,349	3,387,775	-	-	3,592	27,905
Rancho Viejo									
1997-2005	1,173,822	6,969	1,173,556	6,969	1,173,556	-	-	-	266
2006	307,740	300,699	300,699	299,525	299,525	-	-	1,174	7,041
Total Rancho Viejo	1,481,562	307,668	1,474,255	306,494	1,473,081	-	-	1,174	7,307
Total Special Districts	6,034,746	1,276,534	5,981,441	1,270,408	5,975,317	118	-	6,124	53,305
Grand Total	\$ 739,578,489	\$ 105,346,073	\$ 730,064,208	\$ 104,422,846	\$ 729,140,983	\$ 49,216	\$ -	\$ 923,225	\$ 9,514,281

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit J-1

Schedule of Bank Accounts

June 30, 2007

	Total Deposits with Bank	Reconciling Items	Reconciled Balance
First National Bank:			
Writ Fund	\$ 3,450	\$ (450)	\$ 3,000
Sheriff's Bond accounts	475,566	(122,218)	353,348
Confiscated property (forfeiture)	43,958	-	43,958
	<u>\$ 522,974</u>	<u>\$ (122,668)</u>	<u>\$ 400,306</u>
Guadalupe Credit Union - Certificate of deposit	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</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>
Los Alamos National Bank - Certificate of deposit	<u>\$ 20,100,000</u>	<u>\$ -</u>	<u>\$ 20,100,000</u>
OMNI National Bank - Certificate of deposit	<u>\$ 99,000</u>	<u>\$ -</u>	<u>\$ 99,000</u>
State Employees Credit Union - Certificate of deposit	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Wells Fargo Bank - Certificate of deposit	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
TCM Bank NA - Certificate of Deposit	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Century Bank			
Money market escrow account	\$ 84,442	\$ -	\$ 84,442
Escrow account	22,908	-	22,908
	<u>\$ 107,350</u>	<u>\$ -</u>	<u>\$ 107,350</u>
First Community Bank:			
Escrow account	\$ 94,411	\$ -	\$ 94,411
Money market	53,989	(3,938,295)	(3,884,306)
Certificate of deposits	7,000,006	-	7,000,006
GOB series 1997	1,745	-	1,745
Writ Fund	7,791	(5,172)	2,619
Sheriff's Bond account	49,951	(43,319)	6,632
Inmate Trust	297,745	(88,112)	209,633
Juvenile Trust	6,594	(463)	6,131
	<u>\$ 7,512,232</u>	<u>\$ (4,075,361)</u>	<u>\$ 3,436,871</u>

STATE OF NEW MEXICO
SANTA FE COUNTY

Schedule of Pledged Collateral

June 30, 2007

	First National Bank	First Community Bank	Los Alamos National Bank	Guadalupe Credit Union	Advanta Bank	MaroBank	Metropolitan National Bank	OMNI National Bank	State Employees Credit Union	Wells Fargo Bank	TCM Bank	Century Bank
Total amount of deposits (bank balances)	\$ 522,974	\$ 7,512,240	\$ 20,100,000	\$ 100,000	\$ 99,000	\$ 99,000	\$ 99,000	\$ 99,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 107,350
Less FDIC or NCUSIF coverage	100,000	100,000	100,000	100,000	99,000	99,000	99,000	99,000	100,000	100,000	100,000	100,000
Total uninsured public funds	422,974	7,412,240	20,000,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7,350
50% collateral requirement	211,487	3,706,120	10,000,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,675
Pledged securities (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), (15)	739,876	9,468,607	20,000,000	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
Pledged securities in the County's name held by the Federal Reserve	-	5,100,000	20,000,000	-	-	-	-	-	-	-	-	-
Other Letter of Credit	-	49,139	-	-	-	-	-	-	-	-	-	-
(1) FFCB, 3.38%, matures June 12, 2008 CUSIP 31331TMTS	-	132,756	-	-	-	-	-	-	-	-	-	-
(2) FHLB, 3.75%, matures August 15, 2008 CUSIP 3133XOLJ6	-	363,851	-	-	-	-	-	-	-	-	-	-
(3) FHLB, 3.75%, matures August 15, 2008 CUSIP 3133XOLJ6	-	381,761	-	-	-	-	-	-	-	-	-	-
(4) FHLB, 3.63%, matures November 14, 2008 CUSIP 3133X2BZ7	-	102,177	-	-	-	-	-	-	-	-	-	-
(5) FNMA, 6.38%, matures June 15, 2008 CUSIP 31359MEV1	-	87,686	-	-	-	-	-	-	-	-	-	-
(6) FHLB, 3.88 %, matures August 14, 2009 CUSIP 3133X8CS9	-	182,939	-	-	-	-	-	-	-	-	-	-
(7) FHLMC, 5.0%, matures October 1, 2012 CUSIP 31283KPC6	-	559,782	-	-	-	-	-	-	-	-	-	-
(8) FHR, 4.00%, matures December 15, 2013 CUSIP 31393NNY1	-	410,506	-	-	-	-	-	-	-	-	-	-
(9) FHR, 4.00%, matures December 15, 2013 CUSIP 31393NNY1	-	165,971	-	-	-	-	-	-	-	-	-	-
(10) FHLMC, 4.00%, matures August 15, 2014 CUSIP 31395F6H2	-	106,608	-	-	-	-	-	-	-	-	-	-
(11) GNMA, 5.63% matures February 20, 2016 CUSIP 36202KAC9	-	408,478	-	-	-	-	-	-	-	-	-	-
(12) FHLMC, 5.00%, matures October 1, 2018 CUSIP 312962FTS	-	595,633	-	-	-	-	-	-	-	-	-	-
(13) FNMA, 4.50%, matures October 1, 2018 CUSIP 31402UDJ8	-	672,204	-	-	-	-	-	-	-	-	-	-
(14) FNMA, 4.00%, matures June 1, 2019 CUSIP 31405CLZ0	-	149,116	-	-	-	-	-	-	-	-	-	-
(15) GNMA, 6.50%, matures May 20, 2031 CUSIP 36202DM57	-	106,746	-	-	-	-	-	-	-	-	-	-
(15) FNMA, 5.50%, matures July 1, 2031 CUSIP 31387CSK8	-	633,130	-	-	-	-	-	-	-	-	-	-
(15) ALAMOGORDO, NM, 4.90%, matures August 1, 2009 CUSIP 011446EL1	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 739,876	\$ 9,468,607	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Balance												
In summary		\$ 1,196,000										
Insured												
Collateralized												
Collateral held by third party in the County's name or letter of credit issued in the County's name												27,835,214
Uninsured and uncollateralized												7,350
Total												\$ 29,038,564

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit K-1
Page 1 of 4

Financial Data Schedule

June 30, 2007

FDS Line Item No.	ASSETS	Low Rent		Section 8 Vouchers	CFP Program	Home		Total
		Public Housing	Housing Services			Sales	Sales	
	Current Assets:							
111.0	Cash	\$ 1,969,319	\$ 2,057,034	\$ 228,179	\$ -	\$ 2,359,833	\$ 6,614,365	
114.0	Cash - Tenant Security Deposits	66,703	-	94,419	-	-	161,122	
	Accounts Receivable:							
121.0	PHA Projects	-	-	-	407,260	-	407,260	
122.0	HUD Other Projects	-	-	115,334	-	-	115,334	
125.0	Miscellaneous	-	-	20,973	-	-	20,973	
126.0	Tenants - Dwelling Rents	205,585	-	-	-	-	205,585	
	Allowance for Doubtful Accounts:							
126.1	Dwelling Rents	(148,959)	-	-	-	-	(148,959)	
126.2	Other	-	-	-	-	-	-	
144.0	Interprogram Due From Assets held for sale	-	-	-	-	689,510	689,510	
150.0	Total current assets	2,092,648	2,057,034	458,905	407,260	3,049,343	8,065,190	
	Property and Equipment:							
161.0	Land	611,595	-	-	-	-	611,595	
162.0	Buildings	6,097,266	-	-	-	-	6,097,266	
163.0	Furniture, Equipment & Machinery	441,899	-	-	-	-	441,899	
166.0	Less Accumulated Depreciation	(3,824,762)	-	-	-	-	(3,824,762)	
160.0	Total property and equipment	3,325,998	-	-	-	-	3,325,998	
	Mortgage receivable	-	-	-	-	232,287	232,287	
190.0	TOTAL ASSETS	\$ 5,418,646	\$ 2,057,034	\$ 458,905	\$ 407,260	\$ 3,281,630	\$ 11,623,475	

STATE OF NEW MEXICO
SANTA FE COUNTY

Financial Data Schedule (Continued)

June 30, 2007

FDS Line Item No.	LIABILITIES AND FUND EQUITY	Low Rent Public Housing	Housing Services	Section 8 Vouchers	CFP Program	Home Sales	Total
312.0	Liabilities:	\$ 7,958	\$ -	\$ 963	\$ 868	\$ 15,990	\$ 25,779
321.0	Current Liabilities:	19,124	-	-	-	-	19,124
341.0	Accounts Payable <=90 Days	66,703	-	94,411	-	-	161,114
343.0	Accrued Wage/Payroll Taxes Payable	121,011	-	-	-	-	121,011
345.0	Tenant Security Deposits	-	-	296,257	487,432	-	783,689
346.0	Current Portion of Long-Term Debt	-	-	-	-	-	-
347.0	Other Current Liabilities	-	-	-	-	-	-
	Accrued Liabilities - Other	-	-	-	-	-	-
	Interprogram Due To	-	-	-	-	-	-
	Deferred Revenue	-	-	-	-	232,287	232,287
310.0	Total current liabilities	214,796	-	391,631	488,300	248,277	1,343,004
351.0	Long-Term Debt, Net of Current	-	-	-	-	-	-
350.0	Total Noncurrent Liabilities	10,529,696	-	-	-	-	10,529,696
300.0	Total liabilities	10,744,492	-	391,631	488,300	248,277	11,872,700
508.1	Fund Equity:	(7,324,709)	-	-	-	-	(7,324,709)
509.1	Invested in Capital Asset, Net of Related Debt	-	2,500	25,255	13,392	-	41,147
510.0	Reserved for Encumbrances	-	-	-	(94,432)	3,033,353	7,034,337
512.1	Reserved for Capital	1,998,863	2,054,534	42,019	-	-	-
	Unrestricted Net Assets	(5,325,846)	2,057,034	67,274	(81,040)	3,033,353	(249,225)
513.0	Total fund equity	5,418,646	2,057,034	458,905	407,260	3,281,630	11,623,475
600.0	TOTAL LIABILITIES AND FUND EQUITY	\$ 5,418,646	\$ 2,057,034	\$ 458,905	\$ 407,260	\$ 3,281,630	\$ 11,623,475

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit K-1
Page 3 of 4

Financial Data Schedule (Continued)

June 30, 2007

FDS Line Item No.	Low Rent		Section 8	CFP	Home	Total
	Public Housing	Housing Services	Vouchers	Program	Sales	
Operating Revenues:						
703.0	\$ 367,069	\$ -	\$ -	\$ -	\$ -	\$ 367,069
706.0	390,466	-	1,907,294	832,804	-	3,130,564
706.1	-	-	-	-	-	-
	Sale of homes	-	-	-	516,045	516,045
711.0	-	-	-	-	-	-
	Investment Income - Unrestricted	-	-	-	-	-
715.0	226,347	-	-	-	-	226,347
	Other Revenue	-	-	-	-	-
716.0	-	-	-	-	-	-
	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-
720.0	-	-	-	-	-	-
	Investment Income - Restricted	-	-	-	-	-
700.0	<u>983,882</u>	<u>-</u>	<u>1,907,294</u>	<u>832,804</u>	<u>516,045</u>	<u>4,240,025</u>
Operating expenses:						
911.0	133,887	-	-	-	-	133,887
	Administrative Salaries	-	-	-	-	-
912.0	14,000	-	7,500	-	-	21,500
	Auditing Fees	-	-	-	-	-
915.0	51,447	-	-	-	-	51,447
	Employee Benefit Contributions - Administrative	-	-	-	-	-
916.0	79,731	-	107,700	-	-	187,431
	Other Operating - Administrative	-	-	-	-	-
921.0	146,086	-	-	-	-	146,086
	Tenant Services - Salaries	-	-	-	-	-
923.0	54,384	-	-	-	-	54,384
	Employee Benefit Contributions - Tenant Services	-	-	-	-	-
924.0	-	-	-	-	-	-
	Tenant Services - Other	-	-	-	-	-
931.0	61,884	-	-	-	-	61,884
	Water	-	-	-	-	-
932.0	22,520	-	-	-	-	22,520
	Electricity	-	-	-	-	-
933.0	19,848	-	-	-	-	19,848
	Gas	-	-	-	-	-
938.0	66,934	-	-	-	-	66,934
	Other Utilities Expense	-	-	-	-	-
	Cost of Sales	-	-	-	737,445	737,445
Ordinary Maintenance and Operations:						
941.0	207,842	-	-	-	-	207,842
	Labor	-	-	-	-	-
942.0	49,702	-	-	-	-	49,702
	Materials and Other	-	-	-	-	-
943.0	10,800	-	-	-	-	10,800
	Contract Costs	-	-	-	-	-
945.0	77,373	-	-	-	-	77,373
	Employee Benefit Contributions	-	-	-	-	-
952.0	-	-	-	-	-	-
	Protective Services - Other Contract Costs	-	-	-	-	-
General Expenses:						
961.0	44,750	-	-	-	-	44,750
	Insurance Premiums	-	-	-	-	-
962.0	5,854	-	-	817,459	-	823,313
	Other General Expenses	-	-	-	-	-
964.0	40,000	-	-	-	-	40,000
	Bad Debt - Tenant Rents	-	-	-	-	-
966.0	-	-	-	-	-	-
	Bad Debt - Other	-	-	-	-	-
967.0	344,366	-	-	-	-	344,366
	Interest expense	-	-	-	-	-
969.0	<u>1,431,408</u>	<u>-</u>	<u>115,200</u>	<u>817,459</u>	<u>737,445</u>	<u>3,101,512</u>
970.0	<u>(447,526)</u>	<u>-</u>	<u>1,792,094</u>	<u>15,345</u>	<u>(221,400)</u>	<u>1,138,513</u>
Non Operating Expenses:						
973.0	-	-	1,617,258	-	-	1,617,258
	Housing Assistance Payments	-	-	-	-	-
974.0	240,812	-	-	-	-	240,812
	Depreciation Expense	-	-	-	-	-
	<u>240,812</u>	<u>-</u>	<u>1,617,258</u>	<u>-</u>	<u>-</u>	<u>1,858,070</u>
900.0	<u>1,672,220</u>	<u>-</u>	<u>1,732,458</u>	<u>817,459</u>	<u>737,445</u>	<u>4,959,582</u>
1001.0	214,836	-	-	-	-	214,836
	Other financing sources - transfer in	-	-	-	-	-
1002.0	-	-	(174,836)	(40,000)	-	(214,836)
	Other financing use - transfer out	-	-	-	-	-
1008.0	<u>(123,084)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,919</u>	<u>19,835</u>
	Special items - capital contributions, net	-	-	-	-	-
Excess (Deficiency) of						
1000.0	<u>\$ (596,586)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24,655)</u>	<u>\$ (78,481)</u>	<u>\$ (699,722)</u>
	Operating Revenues over (under) Expenses	-	-	-	-	-

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit K-1
Page 4 of 4

Financial Data Schedule (Continued)

June 30, 2007

FDS Line Item No.	Memo Account Information	Low Rent		Section 8 Vouchers	CFP Program	Home Sales	Total
		Public Housing	Housing Services				
1103.0	Beginning Equity	\$ (4,729,261)	\$ 2,057,034	\$ 67,274	\$ (56,385)	\$ 3,111,834	\$ 450,496
1120.0	Unit Months Available	2,292	-	2,892	-	-	5,184
1121.0	Number of Unit Months Leased	2,124	-	2,822	-	-	4,946

STATE OF NEW MEXICO
SANTA FE COUNTY

Exhibit L-1

Supplemental Schedule of Expenditures of Federal Awards

Year Ended June 30, 2007

Federal Grantor/Program Title	Federal CFDA Number	Accrued Revenue (Deferred Revenue due to Fed Agency) at June 30, 2006	Receipts	Expenditures	Accrued Revenue (Deferred Revenue due to Fed Agency) at June 30, 2007
Direct Assistance					
U.S. Department of Housing and Urban Development					
CFP *	14.872	\$ 114,120	\$ 539,664	\$ 832,804	\$ 407,260
Section 8 Voucher *	14.871	-	1,946,142	1,907,294	(38,848)
Low rent subsidy *	14.850	-	390,466	390,466	-
Total U.S. Department of Housing and Urban Development		114,120	2,876,272	3,130,564	368,412
U.S. Department of Justice:					
Home for Good - JAG	16.unknown	6,531	37,158	30,452	(175)
Bureau of Justice Assistance-(SCAAP)	16.606	-	2,800	2,800	-
Total U.S. Department of Justice		6,531	39,958	33,252	(175)
Office of National Drug Control Policy:					
High Intensity Drug Trafficking Area (HIDTA)	16.unknown	126,433	181,592	267,561	212,402
U.S. Department of Health & Human Services					
Craft Grant	93.230	11,533	-	-	11,533
Access to Recovery	93.243	-	34,795	34,795	-
Total U.S. Department of Health & Human Services		11,533	34,795	34,795	11,533
U.S. Department of Education - Life Skills	84.255A	96,876	221,005	252,814	128,685
U.S. Environmental Protection Agency - Water Quality Protection *	66.unknown	123,400	480,822	406,867	49,445
Total Direct Assistance		478,893	3,834,444	4,125,853	770,302
Pass through	Pass Through Entity Identifying Number				
Department of Transportation - Traffic Safety pass through from New Mexico Department of Transportation	04-CD-31-081	20.600	40,377	91,454	91,454
U.S. Forest Service pass through from Department of Finance and Administration (DFA)	10.unknown	-	42,830	42,830	-
U.S. Forest Service - Payment in lieu of taxes pass through from DFA	10.unknown	-	433,475	433,475	-
U.S. Forest Service - Grazing payment pass through from DFA	10.unknown	(4,634)	950	-	(5,584)
U.S. Forest Service: HAZMAT	10.unknown	(6,241)	-	11,784	5,543
Department of Transportation pass through Energy, Minerals & Natural Resources: National Recreational Trails	20.unknown	17,793	-	24,866	42,659
Housing and Urban Development: Community Development Block Grant - Teen Center pass through DFA	99-C-NR-1-3-G-12	14.218	63,818	63,818	-
U.S. Department of Justice: Region III grant pass through from New Mexico Department of Public Safety*	04-DCSI	16.579	60,071	287,716	285,040
Rural Law Enforcement pass through from New Mexico Department of Public Safety	16.unknown	-	39,996	39,996	-
U.S. Department of Homeland Security pass through from N.M. Department of Public Safety *	2005 GE-TS-0012	97.004	211,197	308,499	848,845
U.S. Department of Education pass through from N.M. Department of Education Student Nutrition	10.555	-	98,201	98,201	-
Total pass through assistance		382,381	1,366,939	1,876,491	891,933
Total assistance to County		\$ 861,274	\$ 5,201,383	\$ 6,002,344	\$ 1,662,235
Housing Services - Notes Payable to HUD:					
Loan Balance at July 1, 2006		\$ 5,061,942			
Forgiven principal in current period		(113,499)			
Loan Balance at June 30, 2007		<u>\$ 4,948,443</u>			

*Major federal financial assistance program

STATE OF NEW MEXICO
SANTA FE COUNTY

Notes to Supplemental Schedule of Expenditures of Federal Awards

June 30, 2007

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 \$113,499 and interest of \$88,218 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	\$ 1,907,294
CFP Program	14.872	832,804
Low rent subsidy accounted for in Housing Services Enterprise Fund	14.850	390,466
U. S. Department of Transportation:		
Traffic Safety accounted for in the General Fund	20.600	91,454
U. S. Department of Transportation:		
pass through from Energy, Minerals and Natural Resources accounted for in the Wildlife Mountain Trails Fund	20.unknown	24,866
Federal Office of Emergency Services and Security		
pass through from Department of Public Safety accounted in EMS Health Care Fund	97.004	848,845
U.S. Forest Service pass through accounted for in the Road Maintenance	10.unknown	42,830
U.S. Forest Service pass through accounted for in the General Fund	10.unknown	433,475
U.S. Forest Service: Hazmat accounted for in the General Fund	10.unknown	11,784
U.S. Department of Justice revenue:		
Region III accounted for in the General Fund	16.579	285,040
SCAAP accounted for in the Jail Facility Fund	16.606	2,800
Home For Good - JAG accounted for in the General Fund	16.unknown	30,452
Rural Law Enforcement Technology accounted for in the General Fund	16.unknown	39,996
Office of National Drug Control Policy		
HIDTA accounted for in the General Fund	16.unknown	267,561
U.S. Department of Education: Life Skills	84.255A	252,814
U.S. Environmental Protection Agency accounted for in the Santa Fe River Fund	66.unknown	406,867
U.S. Department of Health and Human Services		
Access to Recovery accounted for in the Detox Fund	93.243	34,795
U.S. Department of Education - Student Nutrition accounted for in the Jail Facility Fund	10.555	98,201
Total federal revenue		<u>\$ 6,002,344</u>

"22 Years of Excellence"



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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. Hector H. Balderas, 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, 2007. 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, 2007.

Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



November 9, 2007

STATE OF NEW MEXICO
SANTA FE COUNTY

Schedule of Findings and Questioned Costs

Year Ended June 30, 2007

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 significant deficiencies relating to the audit of the financial statements are reported in the Memorandum on Accounting Procedures and Internal Controls as findings 06-01, 06-02 and 07-01.
3. No current year instances of noncompliance material to the financial statements of the County were disclosed during the audit.
4. There are no significant deficiencies 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 required to be reported in accordance with Section 510(a) of the OMB Circular A-133.
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
• Emergency Preparedness	97.004
• Water Quality Protection	66.unknown
• Region III	16.579

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 (Continued)

June 30, 2007

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

None

D. FOLLOW UP ON PRIOR YEAR SINGLE AUDIT FINDINGS

None



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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. Hector H. Balderas, 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, 2007, and have issued our report thereon dated November 9, 2007. We have also audited the financial statements of each of the County's non major governmental and fiduciary funds and budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2007, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying Memorandum on Accounting Procedures and Internal Controls to be significant deficiencies in internal control over financial reporting. The significant deficiencies are described in 06-01, 06-02, and 07-01.

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

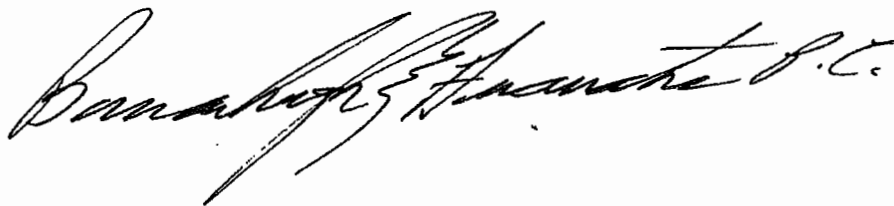
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above are 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* as finding 07-01. We noted other instances of noncompliance that are required to be reported per section 12-6-5 NMSA 1978 which are described in the accompanying Memorandum on Accounting Procedures and Internal Controls as findings 06-03, 07-02 and 07-03.

The County's response to the findings identified in our audit is described in the accompanying Memorandum on Accounting Procedures and Internal Controls. We did not audit the County's response and, accordingly, we express no opinion on it.

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



November 9, 2007

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls

June 30, 2007

Significant Deficiency for the Applicable Funds 06-01 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 includes balances from the previous jail operations contractor which 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 \$1.7 million of old receivables were even valid billings. Emphasis should also be placed on collection efforts as the old receivable balance has increased approximately \$500,000 from FY 2006. Emphasis should also be placed on how adjustments to billings are prepared and recorded.
- The billing of road projects originates outside of the Finance Department and many projects are not progress billed timely and some are only billed when completed. It is not until the year-end audit process occurs that many of the expenditures which can be billed are being billed to the Department of Transportation.
- Several special revenue funds did not have timely grant billing to their respective grantor agencies. In addition, the collection of receivables has not been timely resulting in large past due balances in receivables such as the ambulance billings, utilities billing, housing billings and various grant billings at June 30, 2007.
- Enterprise fund accounting for the utilities, jail, housing and for home sales have grown in complexity and volume of transactions. Also, the enterprise funds did not properly record all GAAP activity until the year-end audit. 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.
- An escrow account, with a balance of \$22,908, was opened without the Finance Department's knowledge. As a result, there was a total of \$107,350 on deposit with Century Bank at June 30, 2007. There was only \$100,000 FDIC coverage related to these funds, thus the County was not in compliance with state law regarding pledged collateral.
- A new computer system and software were purchased for the Jail Facility for approximately \$350,000 but was not capitalized until noted by the audit.
- A new capital lease of approximately \$10,000 for a copier was entered into without the knowledge of the Finance Department. As a result, the County is paying approximately 13.7% in interest on the copier. The lease has not been recorded on the financial statements as the amount is immaterial, however it is an internal control issue regarding the process to enter into a lease agreement with financial statement impact.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2007

Significant Deficiency for the Applicable Funds 06-01 Decentralized Accounting (Continued)

Statement of Condition (Continued)

- Written procedures for the accounting functions have been drafted but have not been completed and there is no overall county-wide accounting manual. The County's current Recovery Plan is only for the County Fileserver (AS400) and does not include the subsidiary locations such as the jail, housing, water, etc. There is also no written plan in place for how tape backups are going to be restored if the whole fileserver system is incapacitated.

Criteria

- Accounting transactions that originate outside the Finance Department need to be recorded properly and timely and have adequate supporting documentation. Receivables need to be billed and collected timely. An overall county-wide accounting manual needs to be completed.
- According to New Mexico State Law, uninsured bank balances must have 50% pledged collateral from the financial institution.
- If the County has a disaster they must be ready to respond quickly and adequately to ensure critical services are not interrupted.

Effect

- Certain transactions have not been recorded properly until the year-end audit process.
- The County and the financial institutions are not in compliance with the State Law.
- If the County has a disaster they do not have a plan in place to respond quickly and adequately to ensure all critical services are not interrupted.

Cause

- Certain accounting transactions are originated by departments outside of the Finance Department.
- Lack of Bank and management oversight.
- Lack of Management planning and preparedness.

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 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.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2007

Significant Deficiency for the Applicable Funds 06-01 Decentralized Accounting (Continued)

Recommendation (Continued)

- 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.
- A complete county-wide accounting manual that includes all accounting areas will assist personnel to record transactions properly and timely.
- The County needs to update their Disaster Recovery Plan to encompass all of their subsidiary locations, e.g. jail, water, housing, etc. The plan should also include specific steps to be taken not only to backup and preserve data, but also to restore the data in the event of a disaster.
- All lease transactions should be approved through Finance.
- Management should have sufficient pledged collateral at financial institutions to ensure that State Law regarding adequate pledged collateral is followed, or have the financial institution ensure that it is transferring funds to the County or other accounts with adequate collateral daily. The County must have the financial institution provide documentation of collateral on an on-going basis when the cash balance exceeds \$100,000.

Management Response

The County assumed operations of the jail facility and is currently producing the billings to entities. In the past year, staff was able to analyze the accounts receivable attributable to the facility operations under a previous contractor's tenure. Of approximately \$1.7 million of old receivables, the County reclassified \$380,000 to an "uncollectible" classification.

The receivables attributable to the last contractor are still being analyzed and the County is currently pursuing outstanding accounts receivable balances. Staff is working with the other entities to resolve disputed billings and to determine a more accurate value. Any portion of a billing under dispute that we are unable to remedy because of limited access to files will be reclassified as "uncollectible" during the 2008 fiscal year.

Staff of the Finance Department will continue to work with the Public Works Department staff to ensure the processing of timely billings by meeting regularly with staff for project status updates and providing the necessary financial documentation to submit the reimbursement requests and a designated finance staff member will have oversight responsibility to ensure the timely processing of billings. During the fiscal year, the County experienced

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2007

Significant Deficiency for the Applicable Funds 06-01 Decentralized Accounting (Continued)

Management Response (Continued)

staff turnover within the Public Works Department and the new staff are currently in training for the preparation of timely reimbursement requests. Billing staff have been trained that billings should be done monthly and at a minimum quarterly versus one large billing at year-end or upon completion of the project. In addition, the County will be conducting quarterly meetings with regard to all capital projects to ensure that billings are completed timely and to provide project status reports. The Finance department will require documentation as to the status of the road projects from the Public Works department and all other capital projects handled by other departments on a monthly basis to ensure projects are billed timely.

Meetings have been conducted with staff charged with grants, utilities and ambulance billings in an effort to reduce the amount of billings outstanding at fiscal year end. Additional work will be completed in fiscal year 2008 specific to the ambulance, jail and utilities billings; such work will include a mandatory training for all county staff handling billings.

County staff will implement the full accrual basis for enterprise funds over the next fiscal year. Lastly, written procedures applicable to staff county-wide have been taken before the Board of County Commissioners and approved. Such procedures include fixed assets, taxable fringe benefits, propriety of expenditures, sheriff's office bonding and accounting procedures and transportation fuel reduction/alternative fuel vehicle policy. In addition, an internal accounting manual has been initiated and will be complete in FY 2008. The internal accounting manual currently covers monthly fixed assets reconciliation, sales of solid waste permits at satellite offices and in draft form payroll procedures. County-wide trainings will continue to be conducted that cover accounts payable, travel, purchase requisitions and satellite sales of solid waste and recycling permits.

All lease agreements currently are signed and reviewed by Finance Director or designee. The lease noted within this finding was an oversight by staff. Staff will continue to work with the Contract Manager to ensure that all leases are reviewed by Finance.

Santa Fe County is aware that New Mexico State Law requires that uninsured bank balances must have 50% pledged collateral from the bank. The County will coordinate with the banking institutions to ensure that funds are either swept timely by month end or that sufficient collateral is pledged to avoid uninsured bank balances. The Finance Department will include within its monthly cash reconciliation process a procedure to include verification of pledged collateral.

The County recently assumed operations of the adult jail facility and with that had inexperienced staff coordinating the software conversion. As a result, certain decisions were made by information technology staff without coordinating with the appropriate financial personnel to allow for the proper reconciliation and conversion. Currently staff of the finance department is working with jail financial staff to correct this oversight.

The Finance Department will coordinate with the Administrative Services Director to ensure that a more appropriate backup plan will be put into place over the next fiscal year. Lastly, the Finance Department will coordinate with the Housing Services staff to ensure that the form is filed in a timely manner and that all other compliance requirements are followed.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2007

Significant Deficiency for Cash Controls 06-02

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 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 County needs to determine if the employee benefit activities should be directed through another entity (i.e. not for profit).
- We noted that cash receipts have not been timely posted as payment on accounts receivable but have been recorded as unapplied cash payments.
- We noted that there has been no reconciliation of cash balances to the account detail of the inmate trust accounts. When the new computer system was implemented at the jail outstanding inmates balances were not properly transferred from the old system. We also noted that there are many old outstanding amounts in the Sheriff's Bond Agency Fund that need to be researched to determine if they should be escheated to the State of New Mexico as abandoned property.
- We noted that the Housing security deposit bank account is not being reconciled to the detail ledger of security deposits being held by Housing.
- First Community Bank no longer monitor checks for multiple signatures when presented for payment, as of June 18, 2007.

Criteria

- Proper controls over the authorization on accounts and receipt function need to exist at all departments and locations.
- Cash held in trust through agency funds needs to correlate directly with the corresponding party in which the cash was collected
- Proper compensating controls over cash disbursements.

Effect

- Poor controls can increase the risk of County funds to be misdirected.
- The County and the financial institutions are not in compliance with the State Law.
- Lack of compensating controls over cash disbursements.

Cause

- Insufficient resources allocated to cash receipt function.
- Change in bank policy

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

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2007

Significant Deficiency for Cash Controls 06-02 (Continued)

Recommendation (Continued)

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, activity recorded to unapplied payments received need to be recorded as payments on accounts receivable timely.

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.

The County should reconcile its Agency accounts monthly to ensure accurate accounting. They must also research old outstanding items related to cash held for others, and follow the respective State Law regarding escheatment if required.

The County should work with the bank to reinstitute the controls over two signatures or to implement other compensating controls.

Management Response

Staff of the treasurer's office and the finance department are working together to ensure that all signature authorities have been updated and have set up a process whereby, semiannually all signature authorities will be reviewed for accuracy. Staff will also make corresponding changes upon the departure of staff from county employment.

Staff is still researching other software options and/or the purchase of cash registers to prevent cashiers of the treasurer's office from editing a batch and making changes without leaving an audit trail. In addition, we will research existing software capacity due to a recent upgrade since the audit. In the meantime, we will work with the treasurer's office to establish better cash control procedures.

The documentation of penalty and interest waived is currently a manual process. We will work with the treasurer's office to establish a procedure that requires penalty and interest to be receipted at system generated amounts and then adjusted for any waivers or corrections. Staff is still working to implement an overage/underage recordkeeping process. In FY2007, staff did create over and under accounts for the corrections department specific to the inmate trust account activity.

The County is still researching whether or not to direct the activities of the employee benefit activities through a non-profit entity. Finance will continue to work with legal staff to resolve this finding during the FY2008.

The resulting unapplied cash payments last fiscal year were due to a fund number change and chart of accounts reorganization. The changes were made to the chart of accounts and not made to the corresponding charge codes within the receivables module. When payments were received, the payment resulted in an overpayment because the charge code did not correspond to the right fund number. Accounts receivable staff are working closely with both the budget and accounting staff to ensure that all fund changes are known and that the corresponding charge codes are also updated. The growth of the general fund account in the current fiscal year is attributable to a grant award for the Fiscal Year 2008 and was truly unearned revenue at June 30, 2007 and has been properly applied in Fiscal Year 2008.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2007

Significant Deficiency for Cash Controls 06-02 (Continued)

Management Response (Continued)

Significant progress in applying the Jail unapplied payments account has been made as the amount has decreased by approximately \$173,000 during FY2007 from approximately \$364,000 in FY2006 to approximately \$190,000 at June 30, 2007. We will continue to work on these amounts to get them applied properly in FY2008. Staff will monitor the growth of these balances on a monthly basis.

Lastly, County staff has conducted and is still in the process of thoroughly researching the outstanding items in the Sheriff Bond Agency Fund. We have determined that out of our grand total of \$112,699 in old outstanding checks, \$29,672 can potentially be voided completely or voided and reissued to various courts. For the remaining \$83,027 we have been able to pinpoint the cases in which the information we have does not coincide with New Mexico Courts. This could be due to various errors made in the past both by our staff and court staff. A large portion of the outstanding checks could be duplicate payments made or incorrect payments, and should be voided completely. We have looked into what steps are necessary to escheat the items and will follow the law accordingly. We must first determine if these outstanding items are indeed subject to the abandoned property law, or if they are errors that can be voided. In the current fiscal year we will reclass these old outstanding items into a long-term liability account until they can be resolved.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2007

Significant Deficiency for Property Taxes 07-01

Statement of Condition

During our testwork of twenty-five properties and other audit work we noted the following exception:

- We noted that for one property the most recent valuation assessment in the property's file showed an assessed value of \$194,350 but the value on the County's computer database was \$178,953.
- We noted one property had been appraised for land value, but not for a modular structure located on the property
- We noted one property that had erroneously depreciated in value, from \$254,100 to \$76,230.
- We noted one old and invalid property appraisal card that was not voided when the property was sold and reappraised to the new owner.
- We noted one valuation card where the final valuation amount was over by \$300.

The following items were also noted:

- The County Assessor is not reappraising properties in a uniform manner, and in several cases has not reappraised or added improvements to the tax rolls in over ten years.
- The County Assessor does not have a formal filing system for capturing correspondence and other forms of communication that would archive the numerous adjustments and issues relative to a property that cannot be accommodated on the property record card
- The County Assessor reduced the value of subsidized properties in violation of the Property Tax Code (7-38-16).
- The County Assessor is not expending the County Property Valuation Fund strictly for reappraisal purposes.

Criteria

- The County must maintain proper controls and review to ensure that the most current property appraisals are input and updated in the database.

Effect

- The computer system that contains property values from which property taxes are assessed was not updated with the most recent appraisal valuation causing under-taxation of property taxes.

Cause

- Management oversight and insufficient review of most current property valuations being updated in the computer databases.

Recommendation

- The County needs to implement proper controls and oversight to ensure that field derived property appraisals are timely and accurately input into the database.

Management Response

We agree with these findings. Numerous taxpayer records are also in the same condition after decades of non-verification of computer input and other related issues. A quality control person has been added to staff to verify on a test basis some of the computer input that is being done at this time as well as controlling correspondence and other related work of the Office of the County Assessor (OCA). Depending on the volume of errors we may need to increase the number of quality control specialists in the OCA. We are also undertaking the implementation of a new

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2007

Significant Deficiency for Property Taxes 07-01 (Continued)

Management Response (Continued)

Computer Assisted Mass Appraisal (CAMA) system that will greatly enhance our electronic record keeping and processing. To implement this new system requires each of the 84,000 property record cards to be reviewed, compared to the present system, correct problems identified, and every attribute needed for the new system to be fully operational is being input into a computer spreadsheet that will be downloaded into the new CAMA system. Numerous errors have been uncovered, researched and corrected but only time will tell how effective we were in uncovering these problems and how accurate our computer input was for the new CAMA system. The new system is to be fully operational by April 2009 when the 2009 Notices of Value are to be mailed to property owners. We have also implemented an imaging system that will capture all property records as well as correspondence and other related documents to control inputs and outputs of the OCA.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2007

Other Findings

Capital Assets 06-03

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, 2007.

Criteria

- IRS regulations must be followed regarding including compensation to the employees' W-2 for the commuting use of County vehicles.

Effect

- Non compliance with IRS regulations.

Cause

- 2006 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.

Management Response

For the calendar year ending December 2007, all non-police and non-fire employees taking a County vehicle home will receive W-2s including additional compensation for commuting use of County vehicles. The Finance Department is currently tracking a county-wide vehicle inventory listing by assigned staff. The Board of County Commissioners has approved a Taxable Fringe Benefit policy, number 2007-101, specifically addressing personal commuting use of vehicles and compliance with IRS requirements. Effective July 1, 2007, the County began tracking the additional compensation and recording the value to all employees with an assigned take-home vehicle.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2007

Other Findings (Continued)

Disbursements 07-02

Statement of Condition

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

- We noted two instances in which the price contractually agreed to was not being paid. In each case, no documentation of price amendments to the contracts could be located that matched the prices paid by the County. Specifically:
 - One contract for food services at the Adult Jail Facility stated they would be charged at \$.997/meal, but in one instance the County was billed and paid for the service at \$1.016/meal.
 - A second contract for food services at the Adult Jail Facility stated they would be charged at \$2.45/meal, but in one instance the County was billed and paid for the service at \$2.60/meal.
- We noted that the gas cards were being used inappropriately. Each card is assigned to a particular vehicle, but the purchases did not reflect this. Specifically:
 - In six instances, a card was used twice within a few minutes with the purchases indicating fill-ups.
 - Two cards were used to purchase both diesel and gasoline
 - In three cases, the odometer readings were not consistent from visit to visit
- We noted that the County has begun using gift cards for purchasing items
 - Sam's gift card purchased for \$500
 - Refunds are being made to the card with no record of what was returned.
 - A list of items to be purchased was provided with the card; however, the items purchased did not correspond to the list.
- We noted one instance of payment for per diem expenses of \$124 with no receipts and no signed affidavit
- We noted one instance of payment of lodging expenses in excess of \$215/night without requisition or voucher approval.
- A travel reimbursement for taxi fare in the amount of \$30 was paid to an employee with no corresponding receipt for the actual amount. This resulted in an overpayment for the taxi fare.
- We noted several instances in which invoices were not paid within 30 days.
- In addition, the County had no written policy to address the criteria for the propriety of certain expenditures related to gifts of Santa Fe County day planners, Christmas cards, pins, and other marketing items, etc.
- We noted one instance of a citizenship and PERA form missing from an employee's file. We also noted one instance of a hire date and PERA effective date being different.

Criteria

- The County needs to comply with its procurement policy regarding requests for proposals, the County's Per Diem rules, contractual agreements with vendors, and pay all outstanding warrants in a timely manner.
- The County needs to comply with its policies on what forms need to be retained in employees' personnel files and verify that the documents are completed appropriately.

Effect

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

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2007

Other Findings (Continued)

Disbursements 07-02 (Continued)

Cause

Insufficient review of invoices and contracts, and/or a 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. Also, employees approving disbursements need to closely inspect invoice pricing with regards to contractual amounts. The County must comply with any applicable rules and regulations regarding employee benefits. The County must address the propriety in which expenditures are being made to ensure proper legal guidelines are being followed. The County should follow guidance from the Department of Finance and Administration's letter dated March 19, 2002 to state agencies regarding the propriety of marketing items and other items given to employees or others.

Management Response

The accounts payable staff conducted four training sessions for all county staff specific to issues noted in this finding. The trainings required (mandatory) attendance for all administrative assistants, field accountants and secretaries that handle contract management and invoicing for their departments and/or offices. The accounts payable staff will continue to conduct several trainings throughout each fiscal year to reinforce requirements and to ensure that all new staff receives training as well.

Attendees were instructed on the following:

- Basic preparation of a voucher payment package and the importance of getting everything paid timely;
- Appropriate use of line items for expenditures,
- How to monitor contractual requirements and ensure invoices submitted by vendors adhered to the contractual requirements (i.e. allowed reimbursable expenses, correct tax usage, required supporting documentation, use of price agreements and established pricing), and
- How to properly fill out travel vouchers and extensive coverage of DFA rules regarding travel and per diem.

An additional policy was approved by the Board of County Commissioners with regard to the "propriety of expenditures" and was implemented July 1, 2007. The policy, 2007-101, follows the guidance provided by the Department of Finance and Administration regarding the propriety of marketing items and other items given to employees or others.

STATE OF NEW MEXICO
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2007

Other Findings (Continued)

Reporting 07-03

Statement of Condition

- The County is not submitting the HUD-60002 form in a timely manner.

Criteria

- Departments outside of the Finance Department need to comply with grantor reporting requirements.

Effect

- Reporting to HUD was not done on a timely basis..

Cause

- Certain reporting requirements are originated by departments outside of the Finance Department.

Recommendation

- Grant reporting by all departments needs to be completed properly and timely.

Management Response

The Finance Department will work closely with Housing Services to ensure that all required compliance forms are filled out and submitted timely. We will keep up to date with any grantor agency requirements by reviewing all new compliance rules and regulations that go into effect each fiscal year.

STATE OF NEW MEXICO
SANTA FE COUNTY

Status of Prior Years Audit Findings

June 30, 2007

Status of Prior Year Findings

Decentralized Accounting (06-01)	Modified and reported as finding 06-01
Cash Controls (06-02)	Modified and reported as finding 06-02
Disbursements (06-04)	Modified and reported as finding 07-02
Capital Assets (06-03)	Modified and reported as finding 06-03
Property Taxes (06-05)	Modified and reported as finding 07-01

STATE OF NEW MEXICO
SANTA FE COUNTY

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EXIT CONFERENCE

An exit conference was held on November 13, 2007 to discuss the audit report and current and prior year findings. Those in attendance were as follows:

Santa Fe County:

Virginia Vigil, Chairperson of the Board of County Commission
Teresa Martinez, Finance Director
Helen Perraglio, Accounting Oversight Manager
Roman Abeyta, County Manager
Dodi Salazar, Housing Services Director
Doug Sayre, Utilities
Millie Valdivia, Utilities
Peter Garcia, ASD Director
Joseph Gutierrez, Community Services Director
Brian Baca, Deputy County Treasurer

Barraclough & Associates, P.C.:

John E. Barraclough Jr., Managing Principal
Douglas Fraser, Audit Manager
Joyce Pohl, Audit Supervisor

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 Barraclough & Associates, P.C. and Santa Fe County personnel from the books and records of Santa Fe County.

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