

**STATE OF NEW MEXICO**

**SANTA FE COUNTY**

**Financial Statements and  
Other Financial Information**

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

**Year Ended June 30, 2009**



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

STATE OF NEW MEXICO  
SANTA FE COUNTY

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June 30, 2009

**COUNTY COMMISSIONERS**

Mike Anaya	Chairperson
Kathy Holian	Member
Harry B. Montoya	Member
Liz Stefanics	Member
Virginia Vigil	Member

**COUNTY OFFICIALS**

Greg Solano	County Sheriff
Victor Montoya	County Treasurer
Valerie Espinoza	County Clerk
Domingo P. Martinez	County Assessor
Mark A. Basham	Probate Judge
Jeffery Ludwig	County Surveyor

**ADMINISTRATIVE OFFICIAL**

Roman Abeyta	County Manager
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SANTA FE COUNTY

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**Principals**  
John E. Barraclough, Jr., C.P.A.  
Annette V. Hayden, C.P.A.  
Sandra M. Shell, C.P.A./A.B.V., C.V.A.  
Joseph A. Sisneros, C.P.A.

**Managers**  
Douglas W. Fraser, C.P.A.  
Laura Parker, C.P.A.  
Rick W. Reynolds, C.P.A.  
Katherine M. Rowe, C.P.A.  
Tracy Ann Stoddart, C.P.A.  
Rhonda G. Williams, C.P.A.

## INDEPENDENT AUDITORS' REPORT

Mr. Hector 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, 2009, 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, 2009, 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.

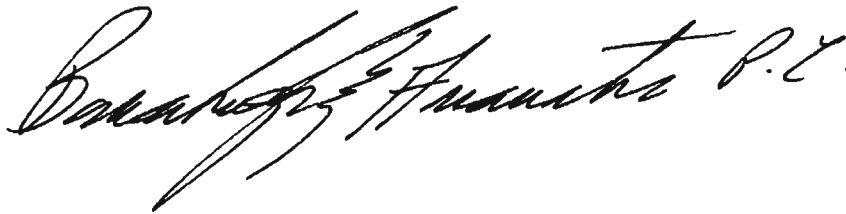
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2009, and the 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, 2009, 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.

As described in Note 11, the County adopted GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* for the year ended June 30, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2009 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, 2009



## SANTA FE COUNTY

### MANAGEMENT'S DISCUSSION AND ANALYSIS – Unaudited

JUNE 30, 2009

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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, 2009. This Management Discussion and Analysis represents the current year results for the fiscal year ending June 30, 2009, and is intended to be read in conjunction with the County's Financial Statements.

#### **Financial Highlights**

- The assets of the Santa Fe County exceeded its liabilities at the close of the fiscal year by \$259,634,219.
- The County's total net assets increased by \$32,893,054, primarily due to bond issues related to capital projects.
- As of the close of the current fiscal year, Santa Fe County governmental funds reported combined ending fund balances of \$226,424,747, an increase of \$43,624,133 in comparison with the prior year. Included in this increase is the conversion of the Jail enterprise fund into a special revenue governmental fund due to a reclassification of the Jail fund. This fund no longer met the criteria of an enterprise fund and was reclassified to a governmental fund. The net assets of the governmental activities were restated to include the net assets of the Jail which comprised of \$8,364,889. The remainder of the increase is mainly attributable to the bond issues during the fiscal year.
- Santa Fe County issued total long term debt of \$79,500,000 during the current fiscal year. The key factors in this increase were the debt issued for the General Obligation Bonds and the Gross Receipts Tax Bond Series 2008. Another component of this increase of our other short-term liabilities represents \$3.2M related to the pollution remediation liability of the Judicial Complex.

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.



MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2009

The County as a Whole

As of June 30, 2009, and 2008, net assets are as follows:

	2009			Restated 2008		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>						
Current and Other Assets	\$ 243,561,745	\$ 10,973,684	\$ 254,535,429	\$ 192,330,621	\$ 11,425,205	\$ 203,755,826
Capital and Non-Current Assets	147,262,257	78,914,578	226,176,835	128,146,826	39,500,169	167,646,995
Total Assets	390,824,002	89,888,262	480,712,264	320,477,447	50,925,374	371,402,821
<b>LIABILITIES</b>						
Current Liabilities	15,162,151	403,437	15,565,588	7,971,238	518,612	8,489,850
Long-Term Liabilities	194,599,485	10,912,972	205,512,457	125,385,961	10,785,845	136,171,806
Total Liabilities	209,761,636	11,316,409	221,078,045	133,357,199	11,304,457	144,661,656
<b>NET ASSETS</b>						
Invested in capital assets	2,884,066	67,869,959	70,754,025	26,331,829	28,539,507	54,871,336
Restricted	72,252,546		72,252,546	108,631,850	-	108,631,850
Unrestricted (deficit)	105,925,754	10,701,894	116,627,648	52,156,569	11,081,410	63,237,979
Total net assets	\$ 181,062,366	\$ 78,571,853	\$ 259,634,219	\$ 187,120,248	\$ 39,620,917	\$ 226,741,165

The County's major governmental funds are the General Fund, Developer Fees Fund, Jail Facility Fund, Capital Outlay – Gross Receipts Tax Fund, General Obligation Bond Series 2007 Fund, General Obligation Bond Series 2008 and the Gross Receipts Tax Revenue Bond Series 2008 Fund. The governmental funds had an excess of revenues and other financing sources over expenditures and other financing uses of \$43,624,133, approximately a \$28 million increase over 2008. This increase is primarily due to increases in other financing sources of bond proceeds during the year. Total governmental revenues had an increase of approximately \$2.5 million mainly due to increases of \$5.8m in property taxes, \$7.6m in charges for services (due to Jail conversion), and \$.05m in other income, and decreases of \$7.4m in gross receipts taxes, \$2.6m in investment income, \$1.15m in grants, and \$.01m in other taxes and assessments.

MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2009

Changes in the County's Net Asset

Year Ended June 30, 2009, and 2008

	2009			Restated 2008		
	Changes in Net assets			Changes in Net assets		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services	\$ 19,052,797	\$ 2,330,925	\$ 21,383,722	\$ 23,752,788	\$ 2,558,842	\$ 26,311,630
Operating grants and contributions	12,357,297	793,685	13,150,982	10,116,628	654,615	10,771,243
Capital grants and contributions	3,619,750	2,435,730	6,055,480	5,267,638	-	5,267,638
<b>General revenues</b>						
Property taxes	52,590,671	-	52,590,671	46,843,268	-	46,843,268
Gross receipt taxes	41,464,519	-	41,464,519	48,941,331	-	48,941,331
Other taxes	2,050,446	-	2,050,446	2,194,386	-	2,194,386
Investment income	5,560,567	69,993	5,630,560	8,159,358	286,131	8,445,489
Other	796,363	18,440	814,803	246,436	18,727	265,163
Contribution not restricted to a specific program	1,579,734	-	1,579,734	-	-	-
<b>Total revenues</b>	<b>139,072,144</b>	<b>5,648,773</b>	<b>144,720,917</b>	<b>145,521,833</b>	<b>3,518,315</b>	<b>149,040,148</b>
<b>Expenses</b>						
General government	20,430,292	-	20,430,292	20,460,705	-	20,460,705
Public safety	46,475,476	-	46,475,476	40,505,889	-	40,505,889
Highways and streets	10,612,531	-	10,612,531	8,300,186	-	8,300,186
Health and welfare	21,718,445	-	21,718,445	19,346,054	-	19,346,054
Culture and recreation	967,360	-	967,360	843,270	-	843,270
Economic development	591,807	-	591,807	2,121,000	-	2,121,000
Interest on long-term debt	7,546,977	-	7,546,977	5,490,024	-	5,490,024
Housing Services		1,369,185	1,369,185		1,365,632	1,365,632
Utilities Department		1,947,173	1,947,173		1,862,088	1,862,088
Regional Planning Authority		114,275	114,275		105,876	105,876
Home sales		54,342	54,342		376,597	376,597
<b>Total expenses</b>	<b>108,342,888</b>	<b>3,484,975</b>	<b>111,827,863</b>	<b>97,067,128</b>	<b>3,710,193</b>	<b>100,777,321</b>
<b>Increase (decrease) in net assets before transfers</b>	<b>30,729,256</b>	<b>2,163,798</b>	<b>32,893,054</b>	<b>48,454,705</b>	<b>7,228,508</b>	<b>48,262,827</b>
<b>Transfers</b>	<b>(36,787,138)</b>	<b>36,787,138</b>	<b>-</b>	<b>(29,779,281)</b>	<b>29,779,281</b>	<b>-</b>
<b>Change in net assets</b>	<b>\$ (6,057,882)</b>	<b>\$ 38,950,936</b>	<b>\$ 32,893,054</b>	<b>\$ 18,675,424</b>	<b>\$ 37,007,789</b>	<b>\$ 48,262,827</b>

**Government-wide financial analysis.**

The County change in net assets for the year ended June 30, 2009 was \$32,893,054 compared to \$48,262,827 for the year ended June 30, 2008. See pages 19 and 21 for more detail on the differences between the government wide financial statements and the governmental fund financial statements.

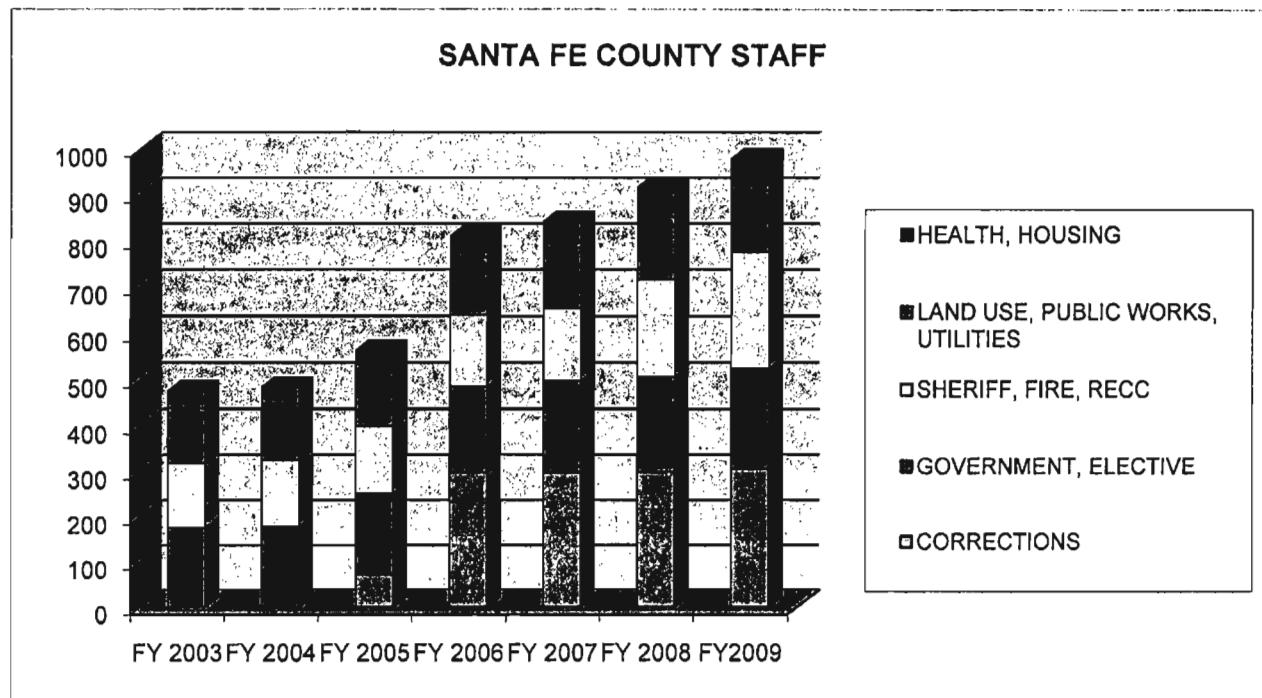
The Corrections Fund, which entails both the Adult Detention Facility and Youth Development Program, required a general fund transfer of \$6.5 million to cover the operational cost of housing adult inmates and juveniles. This continues to be a significant demand on the General Fund resources. The population served by the Corrections Fund has decreased, and the scope and quality of services mandated by the State and Federal Governments continues to increase. The County is nearing the successful completion of a Department of Justice audit, and the positive outcome of the audit will enable the County to serve and recruit federal agencies.

Decreasing revenues from both the adult and juvenile facilities is of great financial concern and may substantially negatively impact requirements for future transfers from the General Fund. As of the present, the Jail Enterprise Fund will exhaust its remaining cash balance of \$2.8 million in order to produce a balanced budget in fiscal year 2010. The Corrections Fund reliance on support from the General Fund will begin to negatively impact General Fund operations in FY 2010. The County elected to change the status of the Corrections Fund from that of an enterprise fund to a special revenue fund effective in FY 2009. Doing so caused the County to separate the debt service requirements associated with Corrections to its own fund as well.

Additionally, the County will be seeking funding mechanisms to sustain our growing health operations as well as the needs of our senior population. Santa Fe County has in the past relied upon other third party funding sources to fully fund all health operations. Future budgeting plans will eliminate the County's reliance on other funding sources, which will limit the growth of current health programs funded solely by gross receipt tax collections. The County witnessed a 65% increase in expenditures related to senior services in FY 2009 when compared to FY 2008. The County is not in a position to fully operate its senior centers and currently contracts with the City of Santa Fe to ensure that all senior services are accommodated. During FY 2009 the County did fully fund the operational expenditures of the Eldorado Senior Center.

**Profile Of The County**

The County operates under the commission-manager form of government (5 member board) plus six elected officials and public safety, highways and streets, sanitation, health and social services, economic development, low rent housing assistance, affordable housing, culture-recreation, public projects' improvements, planning and zoning, and general administration services. A regional planning authority, housing services, utility, and home sales are included within the business activity of the County's financial statements. The number of positions authorized for fiscal year 2009 is approximately 898. See chart below for staffing detail by function.



**Summary of County Program Highlights and Challenges**

During the current fiscal year, the County recognized the following goals and challenges:

- Home Sales:* The County received permission from HUD to convert the Santa Cruz home sale units to rentals; there have been no home sales in the Santa Cruz subdivision since the start of this program (with the exception of one unit). All the units have been rented and are being fully utilized. Additionally, the County is currently researching the possibility of a new development project for additional home sales using accumulated home sale proceeds collected to date. The County intends to obligate \$2.0 million for down payment assistance programs and to also initiate a rental assistance program similar to existing Section 8 programs; this may include monthly rental assistance, security deposits, etc. Staff is currently searching for available properties to accommodate future plans. The County is very cognizant of the impacts the current recession and economic downturn have had, and is aware that there may not be qualified buyer ready families to utilize these funds.
- Affordable Housing:* To-date, over 193 affordable housing units have been created through this program serving County residents. The County has retained a total of 166 deferred subordinate liens totaling \$13,209,095. The County supports work force population by providing direct financial assistance, has provided assistance and funding for developers, and promoted environmental solutions and green building standards within the affordable housing fund. Santa Fe County closed on 15 new homes in the Rancho Viejo Subdivision and 8 homes throughout the Santa Fe Community College ordinance for a total of 23 new homes.
- Transfer Station:* The Pojoaque Pueblo has agreed to allow the County to build a new transfer station on pueblo-owned land. The County will construct a \$500 thousand building on nine acres. In exchange the County will lease the land from the Pueblo for a minimal amount, and at the end of the lease the building will be transferred to the Pueblo.

- *Judicial Court Complex:* Santa Fe County has initiated the development of a new courthouse facility to house the First Judicial District Court located in the downtown area. The project has a \$55 million budget and broke ground in December. Gasoline contamination problems have stalled the project. The County is currently working with the State of New Mexico Environment Department to define and clean the pollution plume. The County estimates that it will cost an additional \$3.2 million to clean the construction site and the Environment Department will commit \$2.9 million from the Corrective Action Fund to clean the surrounding area outside of the construction area. The new complex will retain the two levels of parking (which was previously in jeopardy), and the County anticipates a project completion date of April 2012.
- *County Assessor:* The Assessor continues to implement a Computer-Aided Mass Appraisal System (CAMA) and will create the FY 2009 tax bills via the new system. The conversion of paper records to the CAMA system resulted in many properties converting to residential as improvements were discovered. This equated to a decrease in the total value of nonresidential properties in the County, which indicates that the tax burden is borne by fewer nonresidential taxpayers. Santa Fe County also witnessed more protested valuations this year than in past years.
- *Economic Development:* Santa Fe County and Santa Fe Studios, a production company, have come to terms after June 30, 2009 on an agreement for a film studio to be built on 65 acres just north of the County Public Safety complex. The County has agreed to an installment payment plan for the land transfer to the buyer, which will be based on 100,000 hour increments of minimum wage jobs provided. The County has also agreed to loan \$6.0 million to the studios to assist in the construction. The loan shall be used for construction and long-term financing of capital improvements and equipment for the studios and work force. The source of funds for the loan is anticipated to be a taxable bond issued by the County, and the source of repayments will be made by the buyer/qualifying entity under the loan agreement.
- *Fire Staffing Levels:* As the County continues to grow in population and density, demands for services also continue to grow. The County currently has 63 full-time firefighters and relies heavily on its 300 volunteer firefighters to cover the County's 2000 square miles. With the enactment of the Emergency Medical Services and Communications Center tax, the County developed Project 48. Project 48 will grow the Fire Department by 48 new firefighters. At the end of FY 2009, the Fire Department lacked a total of 5 firefighters to successfully complete Project 48.

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

- *Affordable Housing:* The economic environment has stifled the housing market and in an effort to continue to support affordable housing efforts, the County has written an Affordable Housing Plan. Targeted production over the next 12 to 18 months from current approved Affordable Housing Agreements with local developers is a total of 76 newly constructed homes which will result in an estimated \$6,000,000 of Santa Fe County silent subordinate liens. Approximately 200 affordable housing units may be constructed in the next 48 months. The City of Santa Fe and the County have established a joint resolution to improve housing services throughout Santa Fe to low and moderate income families, which may include homelessness, weatherization and rehabilitation of existing homes, foreclosures, senior housing and special needs for the disabled.

- *Water:* The Buckman Direct Diversion Project is aimed at providing a long-term supply of water by pumping water that has been diverted from the mountains of southwest Colorado to the Rio Grande River, which through water rights, the County and City of Santa Fe may thereby obtain additional water. Otherwise, in order to support anticipated future population growth the County aggressively purchases available water rights as they come on the marketplace. During fiscal year 2009, the County invested \$6.8m and acquired 333.3 acre feet of water from various sellers. Additionally, the County intends to issue gross receipts tax revenue bonds to allow for additional purchases of water rights. The County also intends to issue a GRT Revenue Bond pledged by the County's share of the Capital Outlay GRT for the purpose of acquiring water rights.
- *Aamodt Settlement:* The Aamodt legislation began moving through Congress during fiscal year 2009. The Aamodt bills would approve a water rights settlement concerning the claims of the pueblos located in the Pojoaque Valley and would fund construction of a regional water system. The County will be obligated to fund the delivery system for non-pueblo residents in the next 5-10 years.
- *Corrections Department:* The challenge of maintaining a fiscal balance requiring no additional funding from the General Fund while marketing available beds for other jurisdictions is the major focus for operations of the adult and juvenile detention facilities. Required support of the Corrections Department will begin to negatively impact General Fund operations in FY 2010 and may result in the reduction of General Fund operations in FY 2011.

A total reduction of the year-end cash balance is due to a non-recurring \$.04m capital package budget, and the necessity to fund both Adult and Juvenile Facility programs from cash as both facilities revenue have fallen below the cost of operations in the past 24 months.

- *Fire Excise Tax:* This ¼ cent tax expired in December 2008 and the loss of this tax has presented funding challenges in the acquisition of capital equipment for the Fire Department. The County will present this to the voters in the next fiscal year for re-enactment of the tax.
- *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. The County has experienced difficulty in meeting an increasing base commitment for the Sole Community Provider (SCP) payment for the past several fiscal years. The base payment exceeds the available gross receipts tax revenue available for SCP funding. The County is considering eliminating future participation in this program or participating at a significantly reduced level.

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.

- *Sobering Center:* The County operates the Sobering Center for detoxification of inebriates referred to the Center from the St. Vincent Hospital emergency room and by law enforcement. Budgetary support of the Sobering Center has largely been from third party funding sources. Future funding of the Sobering Center will not include third party funding sources and will have to displace other health or general fund services for in order to continue operations at the current level.

- *Managing Population, Environment and Commercial Growth in the County:* Santa Fe County began experiencing challenges from increasing growth pressures and unanticipated oil, gas and mineral extraction development proposals in fiscal years 2008 and 2009. The County then moved forward with a plan for the Galisteo Basin area, updating the long-range General Plan and updating the Land Development Regulations. Key components of the Galisteo Growth Management Area Plan will preserve important environmental resources, identify future development patterns, and establish “how much” and “what kind” of growth is desired and appropriate and incorporate a capital improvements plan that allocates growth-related development costs to new development.

### **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.

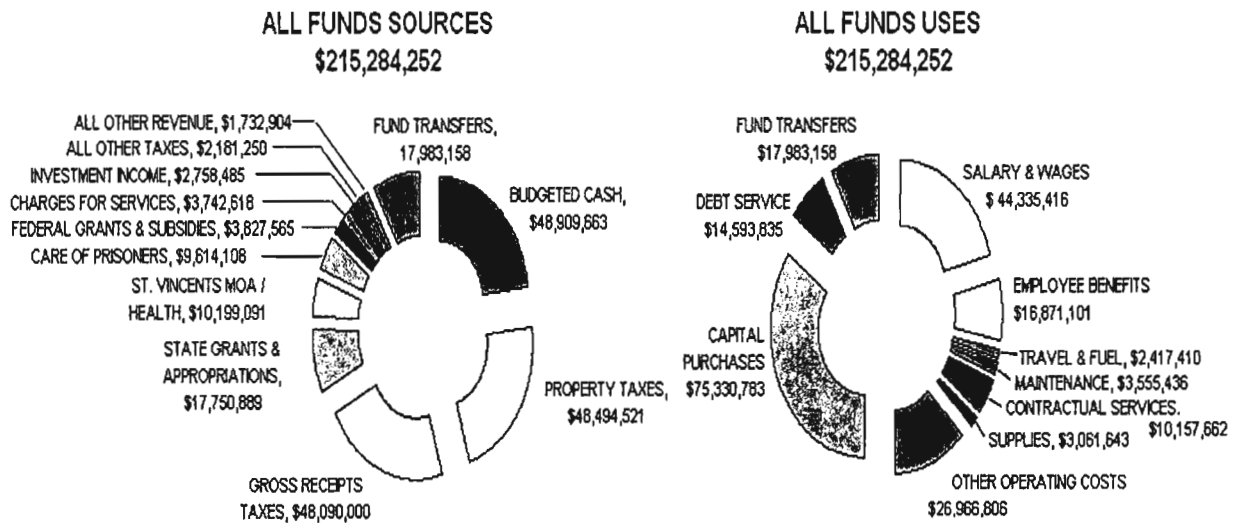
**Proprietary funds.** The County maintains four different types of proprietary funds. Enterprise funds are used to report the same functions presented as Business-type activities in the government-wide financial statements. The County uses enterprise funds to account for Water, Housing Authority, Regional Planning Authority, 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.

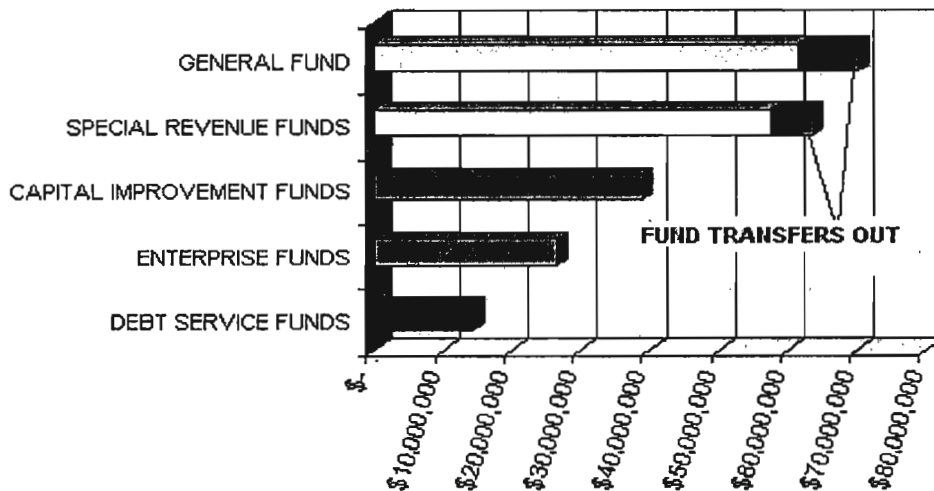
**Budget Highlights**

The Santa Fe County fiscal year 2009 budget, totals \$215,284,252, or \$197,301,094 without transfers between funds, compared to the fiscal year 2008 Budget of \$181,363,826, or \$166,650,968 without transfers between funds. Differences between the fiscal year 2009 and the fiscal year 2008 budget stem from the inclusion of carryover state appropriated road and facility projects in the fiscal year 2009; additional General Fund capital budgets sourced from cash, and an increase in the Fire Operations Fund budget as a result of a full year of revenue receipts for the associated GRT.

The following charts provide a condensed picture of the County revenues, funds and expenses by fund type.



**SANTA FE COUNTY FUNDTYPE BUDGETS**  
\$215,284,252





### Credit Ratings

Both Moody's and Standard & Poor's performed a rating review as of September 2009, and provided the County a rating of Aa2 and AA, respectively for the Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2009. The ratings were reflective of the County's ample financial flexibility with a historically strong level of General Fund reserves. In fiscal year 2009, Santa Fe County ended with generally break-even operations and a stable fund balance despite a 3% decline in GRT collections. County officials have conservatively budgeted for a 10% decline in GRT and a 3% increase in property taxes in fiscal year 2010.

Additionally, FitchRatings conducted a surveillance rating as of September 2009 on the General Obligation Bonds, Series 1999. Santa Fe County received an upgraded rating of AA+ from the previous rating of AA. The rating upgrade is reflective of the County's prudent financial management and conservative budgeting which has resulted in consistent operating surpluses and sufficient fund balance levels.

### 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:

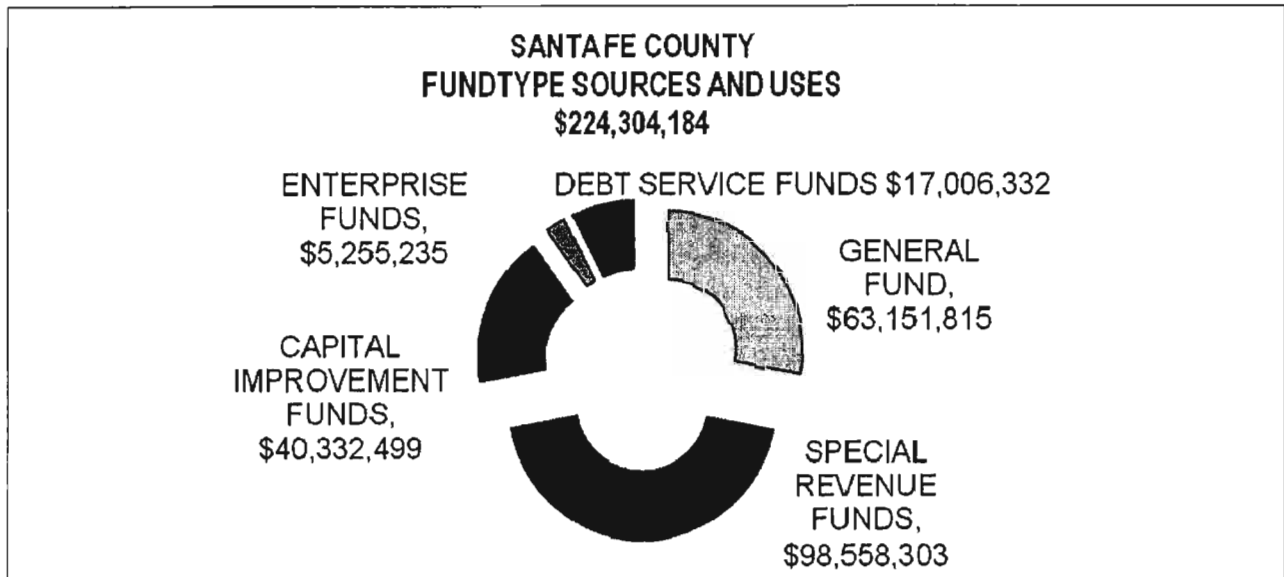
• Purchase of the Solano Center	\$ 1,172,000
• Agua Fria Fire Living Quarters	\$ 199,968
• Agua Fria Community Center	\$ 110,301
• Eldorado Senior Center	\$ 332,899
• Animal Barn & County Fairgrounds	\$ 316,960
• Judicial Center	\$ 226,947
• Womens' Health Services Center	\$ 283,128
• El Rancho Community Center	\$ 140,729
• Edgewood Senior Center	\$ 214,580
• Vista Grande Library	\$ 93,050
• Sheriff's Vehicles & Accessories	\$ 829,998
• Wildland Engine/Brush Truck	\$ 238,478
• 2009 Ford Ambulance	\$ 81,900
• Technical Rescue Trailer	\$ 274,891

**Long-Term Debt Administration**

Santa Fe County's maximum legal debt capacity for General Obligation indebtedness as of June 30, 2009, is \$265,325,270 of which \$129,795,000 has been obligated. This leaves an available bonding capacity of \$135,530,270 in excess of present debt requirements.

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

The Santa Fe County Fiscal Year 2010 Budget totals \$224,304,184, or \$193,475,915 without transfers between funds, compared to the Fiscal Year 2009 budget of \$215,284,252, or \$197,301,094 without transfers between funds. The fiscal year 2010 budget growth rate was slightly increased by 3% due to the distressed economy and housing markets, even though the County received larger than expected actual tax revenues in fiscal years 2008 and 2009. The County did collect property taxes greater than the budgeted amount in fiscal year 2009 and forecasts that similar growth will probably decline in fiscal year 2010. The overall budget consolidated from all funds, expressed in terms of sources and uses is as follows:



### **FY2010 versus FY 2009**

Significant changes that account for an increase of \$9,019,932 in all funds from fiscal year 2009 to fiscal year 2010 are noted below.

- The Capital Outlay Fund budget has increased \$900,000, which represents the use of cash balance for Open Space projects.
- The GRT Revenue Bond Series 2008 for the Judicial Complex included the budgeting of cash balance totaling \$4.4 million and the GOB Series 2009 also included budgeted cash of \$1.1 million.
- The issuance of the GRT Revenue Bond resulted in a GRT Revenue Debt Service Fund increase of \$2.6 million.

### **Fiscal Year 2010 Budget Priorities**

Santa Fe County spent all of fiscal year 2009 planning and completing “fiscal first aid tactics” to ensure that decreased revenue collections and a recessionary economy were managed. During the fiscal year, the County developed the SAVE (Santa Fe County Accountability, Value and Efficiency) Initiative tasked to find innovative ways of saving money and generating new revenue as we deal with the national economic challenge. The SAVE Initiative audited certain routine expenditures and successfully reduced cell phone costs, reduced the amount of take-home vehicles and also focused on reducing energy consumption recognizing more than \$2.0 million in savings and is currently focusing on federal stimulus dollars, smart buying by implementing stronger purchasing practices, revenue generating and additional grant seeking.

In fiscal year 2009 the County effectively broke-even, such results reflecting slowed revenue growth, one-time non-recurring spending, and increased support for jail, health and emergency communication center operations. The county adopted a balanced budget for fiscal 2010 with minimal impact to staff and programs. The county does anticipate a decreasing change in reserve levels at year-end. The County has also made the decision to move forward on a land acquisition using cash reserves.

Looking forward to fiscal year 2011, the County will be affected by slowed revenue collections, increased general fund support to jail and health operations, and may also be affected by state legislative cuts that could negatively impact the County’s ability to maintain current reserve levels. Additionally, the County will have to focus strongly on the Adult and Juvenile facilities, fire operations, health operations and the regional emergency communications center and their potential threat to General Fund cash reserves. Expansion of services such as senior services will come at the expense of other County services.

The jail fund cash will be depleted in fiscal year 2010 in order to produce a balanced budget. Fire resources are not sufficient to support operations and planned capital improvements. Funding sources for health operations are limited to gross receipt tax collections. The General Fund and Fire Operations fund relinquished support of the RECC (\$1.3M) in fiscal year 2010. The RECC was funded by EMS Health Services in fiscal year 2010 and can continue such funding through FY 2011. Beyond 2011, the RECC will revert back to reliance on funding from the General Fund and the Fire Operations Fund further restricting or reducing the services provided by those funds.

Santa Fe County like so many other local governments in the United States is caught in an on-going dilemma of how to fund rising costs with stagnant or slow-growing revenues in an anti-tax environment, and also expects that this situation will not improve soon. With that, the County's focus will be simple. The plan will focus on long-term financial planning to ensure sustainable budgets, economic development and the prioritization of core services in the event of programmatic cuts and lay-offs.

**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 Division'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, 2009

	Government-Wide		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Equity in pooled cash investments - Unrestricted	\$ 41,016,246	\$ -	\$ 41,016,246
Equity in pooled cash investments - Restricted	180,560,427	10,476,520	191,036,947
Receivables, net of allowance for uncollectible			
Accounts	2,164,820	496,147	2,660,967
Taxes	13,271,555	-	13,271,555
Interest	501,118	1,017	502,135
Grantor agencies and other	6,047,579	-	6,047,579
Mortgage receivables, net	12,808,845	131,647	12,940,492
Interfund balances	-	-	-
Capital assets (net of accumulated depreciation)	134,453,412	66,120,327	200,573,739
Water rights	-	12,662,604	12,662,604
<b>Total assets</b>	<b>\$ 390,824,002</b>	<b>\$ 89,888,262</b>	<b>\$ 480,712,264</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 3,833,897	\$ 104,058	\$ 3,937,955
Accrued payroll	1,575,304	38,291	1,613,595
Accrued interest	3,614,779	-	3,614,779
Interfund balances	-	-	-
Deferred revenue	2,801,697	131,647	2,933,344
Deposits held for others	110,131	129,441	239,572
Other	26,343	-	26,343
Pollution remediation liability	3,200,000	-	3,200,000
Noncurrent liabilities:			
Due within one year	11,112,080	137,029	11,249,109
Due in more than one year	183,487,405	10,775,943	194,263,348
<b>Total liabilities</b>	<b>209,761,636</b>	<b>11,316,409</b>	<b>221,078,045</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	2,884,066	67,869,959	70,754,025
Restricted for:			
Debt service	13,913,861	-	13,913,861
Capital projects	58,338,685	-	58,338,685
Unrestricted	105,925,754	10,701,894	116,627,648
<b>Total net assets</b>	<b>\$ 181,062,366</b>	<b>\$ 78,571,853</b>	<b>\$ 259,634,219</b>

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, 2009  
Program Revenues

Functions/Programs	Year Ended June 30, 2009 Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities</b>							
General government	\$ (20,430,292)	\$ 1,888,880	\$ 1,988,904	\$ 2,822,093	\$ (13,730,415)	\$ -	\$ (13,730,415)
Public safety	(46,475,476)	12,139,863	1,962,919	-	(32,372,694)	-	(32,372,694)
Highways and streets	(10,612,531)	9,316	3,268,857	797,657	(6,536,701)	-	(6,536,701)
Health and welfare	(21,718,445)	5,007,238	5,075,803	-	(11,635,404)	-	(11,635,404)
Culture and recreation	(967,360)	-	55,814	-	(911,546)	-	(911,546)
Economic development	(591,807)	7,500	5,000	-	(579,307)	-	(579,307)
Interest expense	(7,546,977)	-	-	-	(7,546,977)	-	(7,546,977)
<b>Total governmental activities</b>	<b>(108,342,888)</b>	<b>19,052,797</b>	<b>12,357,297</b>	<b>3,619,750</b>	<b>(73,313,044)</b>	<b>-</b>	<b>(73,313,044)</b>
<b>Business -type activities:</b>							
Housing services	(1,369,185)	361,094	632,465	-	-	(375,626)	(375,626)
Utilities department	(1,947,173)	1,898,884	161,220	2,435,730	-	2,548,661	2,548,661
Regional planning authority	(114,275)	70,947	-	-	-	(43,328)	(43,328)
Home sales	(54,342)	-	-	-	-	(54,342)	(54,342)
<b>Total business-type activities</b>	<b>(3,484,975)</b>	<b>2,330,925</b>	<b>793,685</b>	<b>2,435,730</b>	<b>-</b>	<b>2,075,365</b>	<b>2,075,365</b>
<b>Total primary government</b>	<b>\$ (111,827,863)</b>	<b>\$ 21,383,722</b>	<b>\$ 13,150,982</b>	<b>\$ 6,055,480</b>	<b>(73,313,044)</b>	<b>2,075,365</b>	<b>(71,237,679)</b>
<b>General Revenues</b>							
Property taxes					52,590,671	-	52,590,671
Gross receipt taxes					41,464,519	-	41,464,519
Other taxes					2,050,446	-	2,050,446
Investment income					5,560,567	69,993	5,630,560
Other					796,363	18,440	814,803
<b>Contributions restricted to a specific program</b>					<b>1,579,734</b>	<b>-</b>	<b>1,579,734</b>
<b>Total general revenues</b>					<b>104,042,300</b>	<b>88,433</b>	<b>104,130,733</b>
Changes in net assets before transfers					30,729,256	2,163,798	32,893,054
Transfers					(36,787,138)	36,787,138	-
<b>Change in net assets</b>					<b>(6,057,882)</b>	<b>38,950,936</b>	<b>32,893,054</b>
<b>Net assets - beginning</b>					<b>178,182,474</b>	<b>47,985,806</b>	<b>226,168,280</b>
<b>Net assets - restatement</b>					<b>8,937,774</b>	<b>(8,364,889)</b>	<b>572,885</b>
<b>Net assets - beginning - as restated</b>					<b>187,120,248</b>	<b>39,620,917</b>	<b>226,741,165</b>
<b>Net assets - ending</b>					<b>\$ 181,062,366</b>	<b>\$ 78,571,853</b>	<b>\$ 259,634,219</b>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY  
Balance Sheet  
Governmental Funds  
June 30, 2009

	Major Funds										
	Special Revenue Funds			Capital Project Funds							Total
	Developer Fees	Jail Facility	Capital Outlay Gross Receipts Tax	General Obligation Bond Series 2007	General Obligation Bond Series 2008	General Receipts Tax Bond Series 2008	Non-Major Other Funds				
<b>ASSETS</b>											
Equity in pooled cash and investments - Unrestricted	\$ 41,016,246	-	\$ 36,021,493	\$ 16,901,086	\$ 10,705,742	\$ 29,959,990	-	\$ 75,673,270	\$ 41,016,246		
Equity in pooled cash and investments - Restricted	1,839,296	7,404,360	-	-	-	-	-	-	180,560,427		
Receivables, net of allowance for uncollectible	-	333,069	-	-	-	-	-	-	2,164,820		
Accounts	41,499	-	-	-	-	-	-	-	13,271,555		
Taxes	6,341,501	-	1,606,838	-	-	-	-	-	504,118		
Interest	388,707	53,400	-	-	-	51,902	-	-	6,047,579		
Grantor agencies and other	629,963	-	-	-	-	-	-	-	13,008,845		
Mortgages	-	-	-	-	-	-	-	-	1,463,631		
Due from other funds	1,457,912	-	-	-	-	-	-	5,719	-		
<b>Total assets</b>	<b>\$ 51,715,124</b>	<b>\$ 7,790,829</b>	<b>\$ 37,628,331</b>	<b>\$ 16,901,086</b>	<b>\$ 10,705,742</b>	<b>\$ 30,011,892</b>	<b>\$ 88,220,182</b>	<b>\$ 258,037,221</b>			
<b>LIABILITIES AND FUND BALANCE</b>											
<b>Liabilities</b>											
Accounts payable	\$ 940,997	\$ 183,890	\$ 97,547	\$ 1,028,958	\$ -	\$ -	\$ -	\$ 1,552,505	\$ 3,833,897		
Accrued payroll	777,821	398,632	-	-	-	-	-	396,145	1,575,304		
Due to other funds	-	-	-	-	-	-	-	1,463,631	1,463,631		
Deferred revenue	7,278,703	-	-	-	-	-	-	4,315,092	24,602,640		
Deposits held for others	-	-	-	-	-	-	-	110,131	110,131		
Other	24,006	2,337	-	-	-	-	-	-	26,343		
<b>Total liabilities</b>	<b>9,021,527</b>	<b>13,041,551</b>	<b>97,547</b>	<b>1,028,958</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,837,504</b>	<b>31,611,946</b>		
<b>Fund Balance</b>											
Reserved for											
Encumbrances	3,225,140	5,000	4,912,770	12,769,963	9,300,000	25,910,193	-	5,881,623	62,774,603		
Debt service	-	-	-	-	-	-	-	16,417,307	16,417,307		
Total reserved fund balance	3,225,140	5,000	4,912,770	12,769,963	9,300,000	25,910,193	-	22,298,930	79,191,910		
Unreserved reported in											
Special Revenue	-	2,017,484	-	-	-	-	-	39,196,593	47,650,133		
Contingency	1,815,290	-	-	-	-	-	-	-	1,815,290		
Capital projects	-	-	32,618,014	3,102,165	1,405,742	4,101,699	-	19,947,776	61,175,396		
Unreserved - Undesignated	37,653,167	-	-	-	-	-	-	(1,061,149)	36,592,018		
Total unreserved fund balance	39,468,457	2,017,484	32,618,014	3,102,165	1,405,742	4,101,699	-	58,083,220	147,232,837		
<b>Total fund balance</b>	<b>42,693,597</b>	<b>2,022,484</b>	<b>37,530,784</b>	<b>15,872,128</b>	<b>10,705,742</b>	<b>30,011,892</b>	<b>80,382,150</b>	<b>\$ 88,220,182</b>	<b>\$ 258,037,221</b>		
<b>Total liabilities and fund balance</b>	<b>\$ 51,715,124</b>	<b>\$ 15,064,035</b>	<b>\$ 37,628,331</b>	<b>\$ 16,901,086</b>	<b>\$ 10,705,742</b>	<b>\$ 30,011,892</b>	<b>\$ 88,220,182</b>	<b>\$ 258,037,221</b>			

The accompanying notes are an integral part to 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, 2009

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

Total Fund Balance Governmental Funds	\$ 226,424,747
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	134,453,412
Long-term liabilities, including bonds payable, and therefore are not reported in the governmental funds	(195,085,894)
Reductions of deferred revenue for property tax revenue recorded on full accrual basis. Governmental funds recognize tax revenue on the modified accrual basis	5,592,846
Reduction of deferred revenue in the road project special revenue fund	3,199,252
Accrual of interest on long-term obligations not recorded by the governmental funds until paid	(3,614,779)
Developer funded mortgages not recorded as revenue by the governmental funds until paid by the homeowners, net of allowance of \$200,000	12,808,845
Capitalized bond issuance and deferred costs, net of amortization, expensed by the governmental funds	1,022,198
Bond premium, net of amortization	(538,261)
Pollution remediation liability accrued for	<u>(3,200,000)</u>
Net assets governmental activities	<u>\$ 181,062,366</u>

The accompanying notes are an integral part of this statement.



STATE OF NEW MEXICO  
SANTA FE COUNTY  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2009

	Major Funds										Total
	Special Revenue Funds			Capital Project Funds				Non-Major Other Funds			
	General	Developer Fees	Jail Facility	Capital Outlay Gross Receipts Tax	General Obligation Bond Series 2007	General Obligation Bond Series 2008	Gross Receipts Tax Bond Series 2008	Non-Major Other Funds			
<b>Revenues:</b>											
Grants	\$ 1,867,419	-	\$ 88,510	-	\$ -	-	\$ -	-	\$ 10,700,381	-	\$ 12,656,310
Property tax	37,792,720	-	-	-	-	-	-	-	13,635,742	-	51,428,462
Gross receipts tax	7,190,373	-	-	9,552,391	-	-	-	-	24,721,755	-	41,464,519
Other taxes and assessments	1,005,961	-	-	-	-	-	-	-	1,044,485	-	2,050,446
Interest earnings	3,879,418	25,380	151,703	-	308,766	257,365	654,460	-	283,475	-	5,560,567
Charges for services, fines and penalties	1,749,087	-	8,030,269	-	-	-	-	-	9,273,441	-	19,052,797
Other	128,467	38,121	-	-	-	-	-	-	629,775	-	796,363
<b>Total revenues</b>	<b>53,613,445</b>	<b>63,501</b>	<b>8,270,482</b>	<b>9,552,391</b>	<b>308,766</b>	<b>257,365</b>	<b>654,460</b>	<b>60,289,054</b>	<b>133,009,464</b>		
<b>Expenditures:</b>											
Current											
General government	16,407,071	-	-	-	-	-	-	-	1,276,916	-	17,683,987
Public safety	9,783,459	-	20,849,041	-	-	-	-	-	13,799,332	-	44,431,832
Highways and streets	6,798,988	-	-	-	-	-	-	-	3,065,721	-	9,864,709
Health and welfare	383,017	312,023	-	-	-	-	-	-	17,626,705	-	18,321,745
Culture and recreation	830,535	-	-	-	-	-	-	-	108,674	-	939,209
Economic development	-	-	-	-	-	-	-	-	591,807	-	591,807
Capital outlay	8,774,791	-	-	5,459,498	6,165,222	22,000,000	-	-	15,873,755	-	58,273,266
Debt service (principal and interest)	-	-	-	-	-	-	-	-	17,157,107	-	17,157,107
Debt issuance costs and other	-	-	-	-	-	110,123	-	-	92,452	-	342,296
<b>Total expenditures</b>	<b>42,977,861</b>	<b>312,023</b>	<b>20,849,041</b>	<b>5,459,498</b>	<b>6,165,222</b>	<b>22,110,123</b>	<b>139,721</b>	<b>69,592,469</b>	<b>167,605,958</b>		
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>10,635,584</b>	<b>(248,522)</b>	<b>(12,578,559)</b>	<b>4,092,893</b>	<b>(5,856,456)</b>	<b>(21,852,758)</b>	<b>514,739</b>	<b>(9,303,415)</b>	<b>(34,596,494)</b>		
Other Financing Sources (Uses):											
Operating transfers, in	1,777,527	-	11,772,210	-	-	-	-	-	12,478,480	-	26,028,217
Operating transfers, out	(14,869,751)	-	(2,251,890)	(1,924,739)	-	-	(582,284)	-	(8,068,411)	-	(27,697,075)
Proceeds from bonds	-	-	-	-	-	32,558,500	30,079,437	17,251,548	79,889,485	-	79,889,485
<b>Total other financing sources (uses)</b>	<b>(13,092,224)</b>	<b>-</b>	<b>9,520,320</b>	<b>(1,924,739)</b>	<b>-</b>	<b>32,558,500</b>	<b>29,497,153</b>	<b>21,661,617</b>	<b>78,220,627</b>		
Net changes in fund balance	(2,456,640)	(248,522)	(3,058,239)	2,168,154	(5,856,456)	10,705,742	30,011,892	12,358,202	43,624,133		
Fund balance, beginning of year	45,150,237	2,271,006	8,364,889	35,362,630	21,728,584	-	-	65,201,463	178,078,809		
Prior Period restatement/reclassification	-	-	1,899,320	-	-	-	-	2,822,485	4,721,805		
Fund balance, beginning as restated	45,150,237	2,271,006	10,264,209	35,362,630	21,728,584	-	-	68,023,948	182,800,614		
<b>Fund balance, end of year</b>	<b>\$ 42,693,597</b>	<b>\$ 2,022,484</b>	<b>\$ 7,205,970</b>	<b>\$ 37,530,784</b>	<b>\$ 15,872,128</b>	<b>\$ 10,705,742</b>	<b>\$ 30,011,892</b>	<b>\$ 80,382,150</b>	<b>\$ 226,424,747</b>		

The accompanying notes are an integral part to this financial 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, 2009

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

Net changes in fund balance total governmental funds	\$ 43,624,133
Capital outlay expenditures in the governmental funds	\$ 58,273,266
Less amount of capital outlay for the enterprise funds paid for by the governmental funds recorded as contributed capital and included in transfer from governmental activity to business-type activities	(35,118,280)
Current year Capital Outlay expenditures capitalized in the Statement of Net Assets	23,154,986
Depreciation expense recorded in the Statement of Activities	(4,515,931)
Debt Service principal payments expensed in the governmental funds, recorded as a reduction of long-term liabilities in the Statement of Net Assets	10,404,731
Proceeds of bonds issued during 2009 recorded as other financing sources in the governmental funds but as liabilities in the government wide financial statements	(79,500,000)
General fund payments expense for post closure costs recorded as a reduction of long-term liabilities	14,305
Capitalized bond issuance and deferred costs of \$336,954 net of amortization of \$63,755	273,199
Bond premium, net of amortization	(377,420)
Increase in compensated absences not recorded until paid by the governmental funds	(493,225)
Net increase in accrued interest expense not recorded until paid by the governmental funds	(742,911)
Current year developer funded mortgages not recorded as revenue in the governmental funds but recorded as deferred revenue	1,579,734
Forgiveness of capital leases obligation	121,485
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	1,162,209
Loss on disposal of capital assets not recorded in the governmental funds	(762,429)
Pollution remediation liability accrued for	(3,200,000)
Reduction of deferred revenue in the road projects special revenue fund	3,199,252
Change in net assets	\$ (6,057,882)

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<b>Revenues:</b>				
Grants	\$ 1,233,444	\$ 2,645,354	\$ 1,661,267	\$ (984,087)
Taxes and special assessments	45,458,443	45,480,651	47,628,060	2,147,409
Interest earnings	2,500,000	2,500,000	4,230,418	1,730,418
Charges for services	1,073,600	1,112,065	1,101,782	(10,283)
Licenses and permits	426,000	426,000	648,085	222,085
Other	70,000	75,052	140,126	65,074
	<u>50,761,487</u>	<u>52,239,122</u>	<u>\$ 55,409,738</u>	<u>\$ 3,170,616</u>
Cash balance carryforward	<u>18,532,602</u>	<u>22,516,003</u>		
<b>Total</b>	<u>\$ 69,294,089</u>	<u>\$ 74,755,125</u>		
<b>Expenditures:</b>				
General government	\$ 36,888,938	\$ 35,288,426	\$ 25,635,869	\$ 9,652,557
Public Safety	9,374,520	11,029,029	9,988,816	1,040,213
Highways and streets	1,103,551	2,261,461	2,002,625	258,836
Health and welfare	-	737,674	737,674	-
Culture and recreation	1,046,536	1,478,617	1,249,178	229,439
Public Works	11,356,486	10,867,693	6,601,278	4,266,415
	<u>\$ 59,770,031</u>	<u>\$ 61,662,900</u>	<u>\$ 46,215,440</u>	<u>\$ 15,447,460</u>
<b>Other financing sources (uses):</b>				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	1,103,000	1,777,527	1,777,527	-
Operating transfers out	(10,627,058)	(14,869,752)	(14,869,751)	1
<b>Total other financing sources (uses)</b>	<u>\$ (9,524,058)</u>	<u>\$ (13,092,225)</u>	<u>\$ (13,092,224)</u>	<u>\$ 1</u>
<b>Net income (loss) - Budgetary basis</b>			<b>\$ (3,897,926)</b>	
<b>Reconciliation to GAAP basis income (loss):</b>				
To record audit adjustments for revenue, net of prior year revenue reversals			(1,783,854)	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			3,225,140	
Reversal of prior year accruals			-	
<b>Change in net assets - GAAP basis</b>			<u><b>\$ (2,456,640)</b></u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit 8

Developer Fees  
Statement of Revenues and Expenditures  
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-
Interest earnings	-	-	25,380	25,380
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	38,121	38,121
	<u>-</u>	<u>-</u>	<u>63,501</u>	<u>63,501</u>
Total revenues	-	-	\$ 63,501	\$ 63,501
Cash balance carryforward	<u>180,809</u>	<u>243,167</u>		
Total	<u>\$ 180,809</u>	<u>\$ 243,167</u>		
<b>Expenditures:</b>				
General government	\$ 180,809	\$ 243,167	\$ 205,023	\$ 38,144
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public Works	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 180,809</u>	<u>\$ 243,167</u>	<u>\$ 205,023</u>	<u>\$ 38,144</u>
<b>Other financing sources (uses):</b>				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			\$ (141,522)	
<b>Reconciliation to GAAP basis income (loss):</b>				
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			5,000	
Reversal of prior year accruals			-	
Entry for bad debt expense			<u>(112,000)</u>	
Change in net assets - GAAP basis			<u>\$ (248,522)</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit 9

Jail Facility  
Statement of Revenues and Expenditures  
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Grants	\$ 92,000	\$ 92,000	\$ 126,467	\$ 34,467
Taxes and special assessments	-	-	-	-
Interest earnings	200,000	200,000	151,703	(48,297)
Charges for services	13,234,358	13,234,358	8,538,336	(4,696,022)
Licenses and permits	-	-	-	-
Other	100,000	100,000	46,217	(53,783)
	<u>13,626,358</u>	<u>13,626,358</u>	<u>\$ 8,862,723</u>	<u>\$ (4,763,635)</u>
Cash balance carryforward	<u>735,561</u>	<u>2,547,421</u>		
Total	<u>\$ 14,361,919</u>	<u>\$ 16,173,779</u>		
<b>Expenditures:</b>				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	23,882,239	25,694,099	21,192,177	4,501,922
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public Works	-	-	-	-
Total expenditures	<u>\$ 23,882,239</u>	<u>\$ 25,694,099</u>	<u>\$ 21,192,177</u>	<u>\$ 4,501,922</u>
<b>Other financing sources (uses):</b>				
Bond proceeds	\$ -	\$ -	\$ -	\$ -
Operating transfers in	9,520,320	11,772,210	11,772,210	-
Operating transfers out	-	(2,251,890)	(2,251,890)	-
Total other financing sources (uses)	<u>\$ 9,520,320</u>	<u>\$ 9,520,320</u>	<u>\$ 9,520,320</u>	<u>-</u>
Net income (loss) - Budgetary basis			\$ (2,809,134)	
<b>Reconciliation to GAAP basis income (loss):</b>				
To record audit adjustments for revenue, net of prior year revenue reversals			(592,241)	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			769,914	
Reversal of prior year accounts payable adjustment			218,996	
Entry for bad debt expense			(645,774)	
Change in net assets - GAAP basis			<u>\$ (3,058,239)</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit 10

Statement of Net Assets  
Enterprise Funds

June 30, 2009

	Housing Services	Utilities Department	Regional Planning Authority	Home Sales	Total
<b>ASSETS</b>					
Current Assets:					
Cash and investments- restricted	\$ 1,180,558	\$ 4,242,406	\$ 191,859	\$ 4,861,697	\$ 10,476,520
Accrued interest	-	1,017	-	-	1,017
Accounts receivable, net	53,590	422,468	20,089	-	496,147
Interfund balances	-	-	-	-	-
Notes receivable, net	-	-	-	-	-
Assets held for sale	-	-	-	-	-
<b>Total current assets</b>	<u>1,234,148</u>	<u>4,665,891</u>	<u>211,948</u>	<u>4,861,697</u>	<u>10,973,684</u>
Non-current Assets:					
Fixed assets - building, land, equipment and water system	7,748,263	64,648,120	7,651	-	72,404,034
Accumulated depreciation	(3,948,378)	(2,330,146)	(5,183)	-	(6,283,707)
<b>Total fixed assets, net of depreciation</b>	<u>3,799,885</u>	<u>62,317,974</u>	<u>2,468</u>	<u>-</u>	<u>66,120,327</u>
Water rights	-	12,662,604	-	-	12,662,604
Mortgage receivable	-	-	-	131,647	131,647
<b>Total assets</b>	<u>\$ 5,034,033</u>	<u>\$ 79,646,469</u>	<u>\$ 214,416</u>	<u>\$ 4,993,344</u>	<u>\$ 89,888,262</u>
<b>LIABILITIES AND FUND EQUITY</b>					
Current Liabilities:					
Accounts payable	\$ 8,260	\$ 95,136	\$ 662	\$ -	\$ 104,058
Accrued payroll	16,153	19,434	2,704	-	38,291
Interfund balances	-	-	-	-	-
Deposits held for others	84,284	45,157	-	-	129,441
Current portion of notes and bonds payable	137,029	-	-	-	137,029
Deferred revenue	-	-	-	131,647	131,647
<b>Total current liabilities</b>	<u>245,726</u>	<u>159,727</u>	<u>3,366</u>	<u>131,647</u>	<u>540,466</u>
Noncurrent Liabilities:					
Notes and bonds payable	4,561,384	-	-	-	4,561,384
Interest payable	6,214,559	-	-	-	6,214,559
<b>Total noncurrent liabilities</b>	<u>10,775,943</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,775,943</u>
<b>Total liabilities</b>	<u>11,021,669</u>	<u>159,727</u>	<u>3,366</u>	<u>131,647</u>	<u>11,316,409</u>
Net assets					
Invested in capital assets and water rights, net of related debt	(7,113,087)	74,980,578	2,468	-	67,869,959
Unrestricted	1,125,451	4,506,164	208,582	4,861,697	10,701,894
<b>Total net assets</b>	<u>(5,987,636)</u>	<u>79,486,742</u>	<u>211,050</u>	<u>4,861,697</u>	<u>78,571,853</u>
<b>Total liabilities and net assets</b>	<u>\$ 5,034,033</u>	<u>\$ 79,646,469</u>	<u>\$ 214,416</u>	<u>\$ 4,993,344</u>	<u>\$ 89,888,262</u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit 11

Statement of Revenues, Expenditures and Changes in Fund Net Assets

Enterprise Funds

Year Ended June 30, 2009

	Housing Services	Utilities Department	Regional Planning Authority	Home Sales	Total
<b>Operating revenues</b>					
Facilities rentals and charges for services	\$ 361,094	\$ -	\$ 70,947	\$ -	\$ 432,041
Water sales, net	-	1,898,884	-	-	1,898,884
Miscellaneous	1,721	10,979	-	5,740	18,440
Sale of homes	-	-	-	-	-
<b>Total operating revenues</b>	<u>362,815</u>	<u>1,909,863</u>	<u>70,947</u>	<u>5,740</u>	<u>2,349,365</u>
<b>Operating expenses</b>					
Cost of sales	-	-	-	-	-
General	1,040,339	1,947,173	114,275	54,342	3,156,129
<b>Total operating expenses</b>	<u>1,040,339</u>	<u>1,947,173</u>	<u>114,275</u>	<u>54,342</u>	<u>3,156,129</u>
<b>Operating income (loss)</b>	<u>(677,524)</u>	<u>(37,310)</u>	<u>(43,328)</u>	<u>(48,602)</u>	<u>(806,764)</u>
<b>Non-operating revenues (expenses)</b>					
Interest on cash and investments	20,853	49,140	-	-	69,993
HUD operating subsidy and other federal/state funds	632,465	161,220	-	-	793,685
Interest expense on notes payable	(328,846)	-	-	-	(328,846)
<b>Total non-operating revenues (expenses)</b>	<u>324,472</u>	<u>210,360</u>	<u>-</u>	<u>-</u>	<u>534,832</u>
<b>Net income (loss) before contributions and operating transfers</b>	<u>(353,052)</u>	<u>173,050</u>	<u>(43,328)</u>	<u>(48,602)</u>	<u>(271,932)</u>
<b>Capital Contributions</b>					
Capital contributions from governmental funds	25,888	35,092,392	-	-	35,118,280
Contributions from Developers	-	2,435,730	-	-	2,435,730
Capital assets contributions (expense)	586,145	-	-	(586,145)	-
<b>Total capital contributions</b>	<u>612,033</u>	<u>37,528,122</u>	<u>-</u>	<u>(586,145)</u>	<u>37,554,010</u>
Operating transfers in	-	1,638,858	30,000	-	1,668,858
Operating transfers (out)	-	-	-	-	-
<b>Total transfers</b>	<u>-</u>	<u>1,638,858</u>	<u>30,000</u>	<u>-</u>	<u>1,668,858</u>
<b>Change in net assets</b>	<u>258,981</u>	<u>39,340,030</u>	<u>(13,328)</u>	<u>(634,747)</u>	<u>38,950,936</u>
Fund balance, beginning of year	(5,633,937)	40,146,712	224,378	4,883,764	39,620,917
Prior Period restatement/reclassification	(612,680)	-	-	612,680	-
Fund balance, beginning as restated	<u>(6,246,617)</u>	<u>40,146,712</u>	<u>224,378</u>	<u>5,496,444</u>	<u>39,620,917</u>
<b>Net assets (deficit), end of year</b>	<u>\$ (5,987,636)</u>	<u>\$ 79,486,742</u>	<u>\$ 211,050</u>	<u>\$ 4,861,697</u>	<u>\$ 78,571,853</u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows

Enterprise Funds

Year Ended June 30, 2009

	Housing Services	Utilities Department	Regional Planning Authority	Home Sales	Total
<b>Cash Flows from Operating Activities</b>					
Cash received from customers and others	\$ 381,006	\$ 1,817,682	\$ 50,858	\$ 5,740	\$ 2,255,286
Cash payments to suppliers for goods and services	(312,165)	(1,094,619)	(12,643)	(58,119)	(1,477,546)
Cash payments to employees for services	(642,399)	(599,613)	(100,693)	-	(1,342,705)
<b>Net cash provided (used) by operating activities</b>	<u>(573,558)</u>	<u>123,450</u>	<u>(62,478)</u>	<u>(52,379)</u>	<u>(564,965)</u>
<b>Cash Flows Provided from Noncapital Financing activities</b>					
Cash from grantors and other	430,748	161,220	-	-	591,968
Cash from operating transfers in	-	1,638,858	30,000	-	1,668,858
<b>Net cash provided by noncapital financing activities</b>	<u>430,748</u>	<u>1,800,078</u>	<u>30,000</u>	<u>-</u>	<u>2,260,826</u>
<b>Cash Flows Provided from Capital and Related Financing Activities</b>					
Payment of capital asset contribution	-	-	-	(17,570)	(17,570)
Cash paid for fixed assets	(2,638)	(1,720,232)	-	-	(1,722,870)
<b>Net cash (used by) provided by capital and related financing activities</b>	<u>(2,638)</u>	<u>(1,720,232)</u>	<u>-</u>	<u>(17,570)</u>	<u>(1,740,440)</u>
<b>Cash Flows from Investing Activities - Interest on cash and investment</b>	<u>20,853</u>	<u>49,090</u>	<u>-</u>	<u>-</u>	<u>69,943</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(124,595)	252,386	(32,479)	(69,949)	25,364
Cash and investments at beginning of year, restated	1,305,153	3,990,020	224,338	4,931,646	10,451,157
Cash and investments at end of year	<u>\$ 1,180,558</u>	<u>\$ 4,242,406</u>	<u>\$ 191,859</u>	<u>\$ 4,861,697</u>	<u>\$ 10,476,520</u>

The accompanying notes are an integral part of this statement.



**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit 12  
Page 2 of 2

Statement of Cash Flows (Continued)

Enterprise Funds

Year Ended June 30, 2009

	Housing Services	Utilities Department	Regional Planning Authority	Home Sales	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (677,524)	\$ (37,310)	\$ (43,328)	\$ (48,602)	\$ (806,764)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation and amortization expenses	73,934	330,895	616	-	405,445
Bad debt expense	-	129,961	-	-	129,961
Change in assets and liabilities					
(Increase) decrease in accounts receivable	12,633	(216,939)	(20,089)	-	(224,395)
(Increase) decrease in notes receivable	-	2,792	-	-	2,792
(Increase) decrease in assets held for sale	-	-	-	-	-
Increase (decrease) in accounts payable	7,801	(34,583)	(64)	(3,777)	(30,623)
Increase (decrease) in compensated absences	(5,127)	2,545	387	-	(2,195)
(Decrease) increase in deposits held for others	14,725	(53,911)	-	-	(39,186)
<b>Total adjustments</b>	<u>103,966</u>	<u>160,760</u>	<u>(19,150)</u>	<u>(3,777)</u>	<u>241,799</u>
<b>Net cash provided by (used by) operating activities</b>	<u>\$ (573,558)</u>	<u>\$ 123,450</u>	<u>\$ (62,478)</u>	<u>\$ (52,379)</u>	<u>\$ (564,965)</u>

Supplemental information: Non monetary transactions - HUD forgave \$201,717 of interest and principal and contributed revenue was credited and \$25,888 of capital asset additions for Housing Services was paid by the government funds. The County Capital Projects Funds paid \$35,092,392 for capital asset and water rights additions for the Utilities Department. The Utility Department also received \$2,435,730 in infrastructure from various developers during 2009.

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit 13

Agency Funds  
Statement of Fiduciary Assets and Liabilities

June 30, 2009

**ASSETS**

Equity in pooled cash and investments - restricted	\$ 2,076,405
Property taxes receivable	<u>8,743,850</u>
<b>Total assets</b>	<u>\$ 10,820,255</u>

**LIABILITIES**

Due to other governments	\$ 8,743,850
Overpayments and taxes paid in advance	990,426
Deposits held for others	603,793
Undistributed taxes to other entities	<u>482,186</u>
<b>Total Liabilities</b>	<u>\$ 10,820,255</u>
<b>Net assets</b>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements

June 30, 2009

(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 and social services, general administration services, 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's 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).

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Reporting Entity (Continued)**

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 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.

In fiscal year 2008, the County accepted all operational and managerial responsibility of the Regional Emergency Communication Center (RECC). The RECC's operations are included in the financial statements as a County special revenue fund, Emergency Communications Operations because of the following:

Under GASBS No. 14 Amended by GASBS No. 39 the following criteria are evaluated:

1. **Legally Separate Organization**

- a. The financial statements of RECC are material to the financial statements of Santa Fe County.
- b. Effective July 1, 2007, the County accepted all responsibility for operations and management of the Regional Emergency Communications Center District thus dissolving the former separate entity status of the RECC.
- c. Per GASBS No. 14 Paragraph 15, the RECC does not have separate corporate powers that would distinguish it as being legally separate from Santa Fe County. The RECC cannot tax or issue debt, it is not separately represented by counsel, and it does not issue separate tax reports. These powers rest with Santa Fe County.

2. **Financial Accountability**

- a. Per GASBS No. 14 Paragraphs 21-24, the governing board is the Santa Fe County Commission and the Commission has ultimate responsibility over the Regional Emergency Communications Center. To comply with a Joint Powers Agreement between the City of Santa Fe, New Mexico and the Town of Edgewood, New Mexico, effective July 1, 2008, the RECC does have a board composed of eight members (Police Chief, Fire Chief and City Manager of the City, Sheriff, Fire Chief and County Manager of the County, Police Chief of the Town, and one member representing the community at-large appointed by agreement of the City Manager, County Manager, and Town Mayor). The RECC Board is in essence an advisory board, but the governing body is the Santa Fe County Commission.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Reporting Entity (Continued)**

2. **Financial Accountability (Continued)**

- b. Per GASBS No. 14 Paragraphs 16-18 and 34-37, Santa Fe County is financially accountable for the RECC in all aspects. All receipts and expenditures for the Regional Emergency Communications Center must flow through the Santa Fe County Administrative Services Department procedures for procurement and disbursement. Payroll and operation expenditure checks are signed by the County Clerk and not by the RECC's personnel.
- c. Per GASBS No. 14 Paragraph 38, the RECC cannot be part of another financial reporting entity.
- d. Per GASBS No. 14 Paragraph 53, the RECC's governing body is the Santa Fe County Commission because the Santa Fe County Commission does have complete control over the RECC's activities. The County Commission is also responsible for issuing and collecting taxes that support all operations including personnel costs and operating costs of the RECC, and is responsible for approving the RECC's budget.

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 the United States of America 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 of 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.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Basis of Accounting**

The basic financial statements consist of the following:

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

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

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.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Basis of Accounting (Continued)**

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 principle ongoing operations. The principle 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 are generally recorded when a liability is incurred, as under accrual accounting.

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

Exceptions to this general rule include: debt service expenditures which are recorded when fund liabilities are due and to 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.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Basis of Accounting (Continued)**

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 the Housing Services Fund when the homeowner purchased the property under the Home Sales program is not owed unless the homeowner sells or refinances the property. These mortgages represent the deferred profit from the sale of the property. Ten percent of the mortgage balance is reduced each year the homeowner owns the property. Deferred revenue is recorded until the homeowner sells the property and the mortgage receivable is paid off.

**Presentation of Funds**

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

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

The County reports the following major governmental funds:

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

*Developer Fees.* This fund was 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. In prior years this fund had received approximately \$2 million in payments from the private Las Campanas housing development project and the 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 and developer funds to assist the affordable housing program. Mortgages funded by developers as part of an affordable housing program are recorded to this fund.

*Capital Outlay Gross Receipts Tax Proceeds Fund.* This capital project fund receives a 1/4 cent gross receipt tax to be used for various capital projects.



STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Presentation of Funds (Continued)**

*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, the care of Santa Fe County jail and Juvenile inmates, and General Fund transfers. This had been previously classified as an enterprise fund in the prior years.

*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.

*General Obligation Bond Series 2008.* In the Fiscal Year 2008, the voters approved the issuance of a bond in the amount of \$32,500,000 to be used for water improvement projects. 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.

*Gross Receipts Tax Revenue Bonds 2008.* In the Fiscal Year 2008, the voters approved the issuance of a bond in the amount of \$30,000,000 to be used for the construction of the Judicial Complex. This capital project fund bond is paid with gross receipts taxes.

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 81 to 83, Non Major Debt Service on page 120 and Non Major Capital Project Funds on pages 129 to 130.

The *Fund balance, beginning of year* line item for Major funds on page 20 has been reclassified to exclude the General Obligation Bond Series 2007B, it does not meet the definition of a major fund in 2009. The beginning major fund balance has been decreased by \$3,633,331 from the June 30, 2008 issued financial statements for the net effect of the reclassification of that fund.

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 2007B fund. The beginning non-major fund balance has been increased by \$3,633,331 to \$65,201,463 by this reclassification of this fund from the June 30, 2008 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.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Presentation of Funds (Continued)**

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

*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.

The Net Asset balance beginning of year line item for Enterprise Funds on page 26 has been reclassified to exclude the Jail Facility Fund which is a special revenue major fund in 2009. The beginning Net Asset balance has been decreased by \$8,364,889.

**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, 2009 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.

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Budgets (Continued)**

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.

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 2009:

Rancho Viejo Improvement  
District  
Fire Tax Revenue Bonds Proceeds (Bond Proceeds Fire Tax)  
NMFA Loan Proceeds  
Recreation

The only activity recorded by the Rancho Viejo Improvement fund is the collection of property tax and the payment of debt service, therefore no budget was prepared. The other three funds were not budgeted due to the low volume of transactions.

**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, 2009. 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 OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Equity in Pooled Cash and Investments (Continued)**

State statutes authorize the County to invest excess funds in United States bonds, treasury certificates, or 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 no later than December 10 and May 10. Collections and remittance of property taxes are accounted for in the County Treasurer's Agency Fund. Amounts are recognized as revenue in the applicable governmental fund types under accounting principles generally accepted in the United States. The property taxes receivable for the general fund and for the debt service in the governmental fund financial statements are net of an allowance for uncollectible. Refunds related to the settlement of property tax protests are only recorded when the case is completed.

**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.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Capital Assets**

Capital assets, which include property, plant, equipment, and computer software are included in the equipment category, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. 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

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. All additions to the infrastructure 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, 2009 financial statements.

**Compensated Absences**

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Long-term Obligations**

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

**Fund Equity**

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

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**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.

(2) **Pooled Cash and Investments**

The following is a summary of pooled cash and investments at June 30, 2009:

	<u>Government-Wide Statement of Net Assets</u>			<u>Fiduciary Fund Financial Statements</u>	
	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	<u>Fiduciary Funds Statement of Net Assets</u>	<u>Total</u>
Cash and investments	<u>\$ 41,016,246</u>	<u>\$ -</u>	<u>\$ 41,016,246</u>	<u>\$ -</u>	<u>\$ 41,016,246</u>
Restricted cash and investments	<u>\$ 180,560,427</u>	<u>\$ 10,476,520</u>	<u>\$ 191,036,947</u>	<u>\$ 2,076,405</u>	<u>\$ 193,113,352</u>
Total cash and investments					<u>\$ 234,129,598</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 with maturities greater than one year but less than two years totaled \$4,000,000 at June 30, 2009. The County's investments in certificates of deposit are non-negotiable certificates of deposit which can be redeemed before maturity without loss of principal balance.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

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

Security	Scheduled Maturity	Call Date	Fair Value
Federal Farm Credit Bank	10/15/12	10/15/09	\$ 1,000,000
Federal National Mortgage Association	05/14/12	08/14/09	<u>1,998,584</u>
Scheduled maturity before 6/30/2012			<u>2,998,584</u>
Federal National Mortgage Association	05/06/13	11/06/09	1,993,184
Federal Farm Credit Bank	12/24/13	10/06/09	5,000,000
Federal National Mortgage Association	04/28/14	10/28/09	1,000,000
Federal National Mortgage Association	05/19/14	11/19/09	2,000,000
Federal Home Loan Bank	06/30/14	06/30/11	<u>1,998,000</u>
Scheduled maturity before 6/30/2014			<u>11,991,184</u>
Federal Home Loan Bank	01/09/15	09/27/09	3,000,000
Federal Farm Credit Bank	05/05/15	09/29/09	3,000,000
Federal Farm Credit Bank	12/29/15	12/29/09	5,000,000
Federal Home Loan Bank	02/17/16	02/17/11	2,488,096
Federal Home Loan Bank	02/19/16	02/19/10	2,000,000
Federal National Mortgage Association	04/21/16	04/21/11	1,000,000
Federal Farm Credit Bank	04/22/16	04/22/10	1,500,000
Federal Farm Credit Bank	05/26/16	05/26/10	<u>1,990,119</u>
Scheduled maturity before 6/30/2016			<u>19,978,215</u>
Federal National Mortgage Association	01/23/20	10/02/09	<u>1,991,173</u>
Scheduled maturity before 6/30/2020			<u>1,991,173</u>
Federal Home Loan Bank	02/08/23	07/01/09	<u>1,403,683</u>
Scheduled maturity before 6/30/2024			<u>1,403,683</u>
			<u>\$ 38,362,839</u>



STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

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.

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, 2009 are as follows:

	<u>Investment Type</u>	<u>Amount</u>	<u>% of Investments</u>
Governmental Activities	Federal Farm Credit Bank	\$ 17,491,988	29%
	FHLB securities	14,889,779	25%
	FNMA	6,982,941	12%
	Federal Home Loan Mortgage Association	3,000,000	5%
	Total Federal agencies	<u>\$ 42,364,708</u>	<u>71%</u>
	Repurchase agreements	<u>\$ 2,675,505</u>	<u>5%</u>
Business-type Activities	None over 5%	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

Investments in securities of any individual issuers, other than U.S. Treasury securities, mutual funds, local government investment pools 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>4%</u>
Sheriff's Facility Bond Reserve	Repurchase agreement	<u>\$ 425,905</u>	<u>1%</u>

The carrying amounts of the County's deposits at financial institutions as of June 30, 2009, were \$172,966,409. Bank balances before reconciling items were \$175,170,936 at June 30, 2009. 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 has sufficient insurance and collateral for all deposits at June 30, 2009 since the County requires 100% collateral for all uninsured bank balances. (See pages 154-157) for the detailed schedule.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

(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 Poor's, a nationally recognized statistical rating organization.

	Credit Quality Ratings	Carrying Amount
Petty cash and change funds	Not applicable	\$ 2,927
Total deposits	Not rated	172,966,409
Local government investment pool - invested by the State of New Mexico, Office of the State Treasurer for the County, recorded at cost in accordance with GASB 31	AAA	6,365,084
Local government investment pool - Reserve Contingency Fund invested by the State of New Mexico, Office of the State Treasurer for the County, recorded at FMV, net of unrealized loss	Not rated	1,808,675
Repurchase agreements	Not rated	2,675,505
Federal Agency Securities	AAA	42,362,839
U.S. Treasury cash reserves mutual fund accounts	Not applicable	7,948,159
Total investments		61,160,262
 Total - all County deposits and investments		 \$ 234,129,598
 Amounts per financial statements:		
Agency funds equity in pooled cash and investments		\$ 2,076,405
Governmental Funds equity in pooled cash and investments - unrestricted		41,016,246
Governmental Funds equity in pooled cash and investments - restricted		180,560,427
Enterprise Funds equity in pooled cash and investments		10,476,520
		\$ 234,129,598

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.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

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, 2009 was \$5,560,567.

The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978 empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States government or by its departments or agencies and are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faiths and credit of the United States government or are agencies sponsored by the United States government 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 investments. In respect to credit risk, the Local Government Investment Pool is rated AAAM by Standard & Poor's. The weighted average maturity at June 30, 2009 was 43 days, which reduces the pool's interest rate risk.

The pool does not have unit shares. Per Section 6-10-10. IF, 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.

The County has recorded a loss from its investment in the New Mexico Local Government Investment Pool, (NMLGIP). In September 2008, NMLGIP reportedly had 23% of the pool (\$281.7 million) invested in the Reserve Primary Fund. On September 17, 2008 Standard & Poor's lowered the Reserve Primary Fund (Reserve) rating from AAAM to Dm because of its exposure to Lehman Brothers Holdings, Inc., which declared bankruptcy, and caused a material decline in net assets. The rating for the Reserve was completely withdrawn on January 6, 2009 and Standard & Poor's dropped the pools rating from AAAM to Dm and back to AAAM on March 5, 2009.

NMLGIP created a Reserve Contingency Fund to hold that portion of a participant's pool holdings that were attributable to the Reserve position as of September 15, 2008, that had not yet been recovered. NMLGIP has reported that approximately 84% of the Reserve Contingency Fund will be recovered. Funds held in this non-interest bearing account will remain restricted and unavailable until recovery of the final payout amount from the Reserve and the final reconciliation by NMLGIP.

As of June 30, 2009, the County had \$6,365,084 still invested in NMLGIP, of which \$2,159,675 was being held in the Reserve Contingency Fund. The County has recorded a loss of approximately \$352,000 related to this investment in the Reserve Contingency Fund.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

**(3) Interfund Assets and Liabilities**

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

	Receivables	Payables
General	\$ 1,457,912	\$ -
Non Major Special Revenue Funds:		
Linkages	-	4,090
CFP Program	-	77,353
Total Special Revenue Funds	-	81,443
Non Major Debt Service Funds:		
Fire Tax Revenue Bonds	-	5,719
Total Debt Service Funds	-	5,719
Non Major Capital Projects Funds:		
CDBG	-	2,121
Road Projects	-	796,450
State Special Appropriation	-	577,898
Bond Proceeds - Fire Tax	5,719	-
Total Capital Projects Funds	5,719	1,376,469
Total County	\$ 1,463,631	\$ 1,463,631

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)

June 30, 2009

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

**Interfund Transactions**

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

	Transfers in (from other funds)	Transfers out (to other funds)	Major Funds										Total			
			General	Capital Outlay Gross Receipts Tax	Jail Facility	Housing Services	Utilities Department	Regional Planning Authority	Home Sales	General Obligation Bond Series 2007	General Obligation Bond Series 2008	Gross Receipts Tax Bond Series 2009		Other Non-Major Governmental		
General	\$ -	\$ 368,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,409,000	\$ 1,777,527
Capital Outlay Gross Receipts Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Jail Facility	6,572,210	200,000	-	-	-	-	-	-	-	-	-	-	-	-	5,000,000	11,772,210
Housing Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities Department	1,638,858	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,638,858
Regional Planning Authority	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Home Sales	30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,000
General Obligation Bond Series 2007	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Obligation Bond Series 2008	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Receipts Tax Bond Series 2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Major Governmental	6,628,683	1,356,212	2,251,890	-	-	-	-	-	-	-	-	-	-	582,284	1,659,411	12,478,480
<b>Total</b>	<b>\$ 14,869,751</b>	<b>\$ 1,924,739</b>	<b>\$ 2,251,890</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 582,284</b>	<b>\$ 8,068,411</b>	<b>\$ 27,697,075</b>

Significant transfers from the General Fund included transfers totaling \$6,572,210 for the operation of the Jail Facility, \$2,561,481 to the Road Fund for road maintenance and road projects, and \$2,614,423 to GRT Debt Service Fund. The Capital Outlay GRT transferred \$969,946 to GOB Bond Series 2005. The Jail Facility transferred \$2,251,890 to the Jail Revenue Debt Service Fund. The General Fund received \$920,000 from the Environmental Revenue Bond Fund. The Jail Facility received \$5,000,000 for the Corrections GRT Fund.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Interfund Transactions (Continued)**

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

Transfers in	\$	27,697,075
Transfers out		(26,028,217)
Contributed capital		<u>35,118,280</u>
 Transfers per page 17	 \$	 <u>36,787,138</u>

**(4) Capital Assets**

The changes in Capital Assets for the year ended June 30, 2009 are as follows:

	June 30, 2008 Balance	Reclassification of Jail Facility	June 30, 2008 Restated Balance	Additions & transfers	Deletions	June 30, 2009 Balance
Government activities:						
Non depreciable assets						
Land	\$ 25,314,153	\$ 126,781	\$ 25,440,934	\$ 3,494,801	\$ -	\$ 28,935,735
Right of way land	5,465,283	-	5,465,283	-	-	5,465,283
Assets being depreciated						
Buildings and improvements	64,334,252	20,499,527	84,833,779	16,512,898	(2,555,793)	98,790,884
Infrastructure	36,290,605	-	36,290,605	846,800	-	37,137,405
Equipment and vehicles	41,143,067	1,017,089	42,160,156	3,152,386	(864,664)	44,447,878
Furniture and fixtures	1,308,551	-	1,308,551	282,753	(127,018)	1,464,286
	<u>173,855,911</u>	<u>21,643,397</u>	<u>195,499,308</u>	<u>24,289,638</u>	<u>(3,547,475)</u>	<u>216,241,471</u>
Accumulated depreciation						
Buildings and improvements	(28,279,512)	-	(28,279,512)	(1,762,784)	662,228	(29,380,068)
Infrastructure	(14,050,065)	-	(14,050,065)	(923,494)	-	(14,973,559)
Equipment and vehicles	(35,726,992)	-	(35,726,992)	(1,744,177)	861,148	(36,610,021)
Furniture and fixtures	(865,953)	-	(865,953)	(85,476)	127,018	(824,411)
Total accumulated depreciation	<u>(78,922,522)</u>	<u>-</u>	<u>(78,922,522)</u>	<u>(4,515,931)</u>	<u>1,650,394</u>	<u>(81,788,059)</u>
Governmental activities capital assets, net	<u>\$ 94,933,389</u>	<u>\$ 21,643,397</u>	<u>\$ 116,576,786</u>	<u>\$ 19,773,707</u>	<u>\$ (1,897,081)</u>	<u>\$ 134,453,412</u>

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

(4) **Capital Assets (Continued)**

Included in land additions is the reclassification of the net value of the Paramount building of \$1,134,652 when it was demolished in 2009 the value was added to the land account. Total capital asset additions are \$23,154,986 for the year ended December 31, 2009. The net loss on the disposal of capital assets is \$762,429 for the government wide financial statements.

Outstanding commitments for construction of fixed assets is included in the encumbered fund balance of the Capital Project Funds.

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

Governmental activities	
General government	\$ 1,499,614
Public safety	2,043,644
Health and welfare	196,700
Culture and recreation	28,151
Highways and streets	<u>747,822</u>
Total depreciation expense	<u>\$ 4,515,931</u>



STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

**(4) Capital Assets (continued)**

The following is a summary of proprietary funds' capital assets at June 30, 2009

	June 30, 2008 Balance	Additions	Deletions	June 30, 2009 Balance
<b>Business-type activities:</b>				
<b>Housing Services</b>				
Land	\$ 611,595	\$ 87,920	\$ -	\$ 699,515
<b>Assets being depreciated</b>				
Equipment and vehicles	441,434	28,524	(16,701)	453,257
Buildings and improvements	6,097,266	498,225	-	6,595,491
	<u>7,150,295</u>	<u>614,669</u>	<u>(16,701)</u>	<u>7,748,263</u>
<b>Less: Accumulated depreciation</b>				
Equipment and vehicles	(440,422)	(5,907)	16,701	(429,628)
Buildings and improvements	(3,450,723)	(68,027)	-	(3,518,750)
Total accumulated depreciation	<u>(3,891,145)</u>	<u>(73,934)</u>	<u>16,701</u>	<u>(3,948,378)</u>
Net fixed assets	<u>\$ 3,259,150</u>	<u>\$ 540,735</u>	<u>\$ -</u>	<u>\$ 3,799,885</u>
<b>Utilities Department</b>				
Land	\$ 1,347,625	\$ -	\$ -	\$ 1,347,625
CIP	16,000,000	30,912,510	-	46,912,510
<b>Assets being depreciated</b>				
Water system	11,147,524	4,663,423	-	15,810,947
Office equipment, furniture and vehicles	443,804	134,463	(1,229)	577,038
	<u>28,938,953</u>	<u>35,710,396</u>	<u>(1,229)</u>	<u>64,648,120</u>
<b>Less: Accumulated depreciation</b>				
Water system	(1,744,567)	(266,424)	-	(2,010,991)
Office equipment, furniture and vehicles	(255,913)	(64,471)	1,229	(319,155)
Total accumulated depreciation	<u>(2,000,480)</u>	<u>(330,895)</u>	<u>1,229</u>	<u>(2,330,146)</u>
Net fixed assets	<u>\$ 26,938,473</u>	<u>\$ 35,379,501</u>	<u>\$ -</u>	<u>\$ 62,317,974</u>
<b>Regional Planning Authority</b>				
Equipment and machinery	\$ 7,650	\$ -	\$ -	\$ 7,650
<b>Less: Accumulated depreciation</b>				
Equipment and machinery	(4,566)	(616)	-	(5,182)
Total accumulated depreciation	<u>(4,566)</u>	<u>(616)</u>	<u>-</u>	<u>(5,182)</u>
Net fixed assets	<u>\$ 3,084</u>	<u>\$ (616)</u>	<u>\$ -</u>	<u>\$ 2,468</u>

Depreciation expense was \$73,934 for Housing Services, \$330,895 for the Utilities Department, and \$616 for the Regional Planning Authority for the year ended June 30, 2009, respectively.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

**(5) Receivables, Notes and Mortgage Receivables**

The following is a summary of receivables for the government-wide financial statements at June 30, 2009.

	Governmental Activities	Business-Type Activities
Accounts	\$ 7,525,688	\$ 966,310
Taxes		
Property	6,286,532	-
Gross receipts	6,862,947	-
Other	122,076	-
Interest	501,118	1,017
Grantor and other	6,047,579	-
	27,345,940	967,327
Allowance for uncollectible	(5,360,868)	(470,163)
Total receivables, net	\$ 21,985,072	\$ 497,164
Mortgage receivables, net	\$ 12,808,845	\$ 131,647

The County has a \$200,000 allowance for uncollectible mortgages receivables which has been recorded on the government wide financial statements in the prior year as those financial statements are on the full accrual method of accounting. The mortgages are secured by real estate.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

6) Long-Term Obligations

The following is a summary of long-term obligations of the County for governmental activities for the year ended June 30, 2009:

	June 30, 2008 Balance	Reclassification of Jail Facility	June 30, 2008 Restated Balance	Additions	Deletions	June 30, 2009 Balance	Due within one year
Governmental Activities							
General obligation and gross receipt bonds	\$ 92,843,998	\$ 25,535,000	\$ 118,378,998	\$ 79,500,000	\$ (10,073,998)	\$ 187,805,000	\$ 8,670,000
Landfill closure and postclosure care costs	1,987,890	-	1,987,890	-	(14,305)	1,973,585	80,000
Capital lease obligations	121,485	-	121,485	-	(121,485)	-	-
Compensated absences	3,109,084	-	3,109,084	2,851,654	(2,358,429)	3,602,309	2,358,429
Bonds payable issued via NMFA Component Unit - Rancho Viejo Improvement District	290,733	-	290,733	-	(290,733)	-	-
	1,745,000	-	1,745,000	-	(40,000)	1,705,000	40,000
Total Debt	100,098,190	25,535,000	125,633,190	82,351,654	(12,898,950)	195,085,894	11,148,429
Plus Bond Premium	160,841	-	160,841	389,485	(14,537)	535,789	27,406
Less deferred amounts on refunding	(78,120)	-	(78,120)	-	11,000	(67,120)	(11,000)
Deferred issuance costs	(329,950)	(340,929)	(670,879)	(336,954)	52,755	(955,078)	(52,755)
Total Debt Net	\$ 99,850,961	\$ 25,194,071	\$ 125,045,032	\$ 82,404,185	\$ (12,849,732)	\$ 194,599,485	\$ 11,112,080
Pollution remediation liability	\$ -	\$ -	\$ -	\$ 3,200,000	\$ -	\$ 3,200,000	\$ 3,200,000

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

The following is a summary of long-term obligations of the County for business-type activities for the year ended June 30, 2009:

	June 30, 2008 Balance	Additions	Deletions	June 30, 2009 Balance	Due within one year
Business Type					
HUD notes payable	\$ 4,827,432	\$ -	\$ (129,020)	\$ 4,698,412	\$ 137,029
HUD interest payable	5,958,413	256,146	-	6,214,559	-
	<u>\$ 10,785,845</u>	<u>\$ 256,146</u>	<u>\$ (129,020)</u>	<u>\$ 10,912,971</u>	<u>\$ 137,029</u>

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.

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

Date Issued	Interest Rate	Final Maturity Date	Original Bond Amount	June 30, 2009 Balance	Due within one year
February 1, 1997	4.1-6.0%	2027	\$ 30,000,000	\$ 24,725,000	\$ 850,000
February 1, 1997	4.1-5.7%	2027	6,000,000	4,650,000	160,000
June 15, 1999	4.5-7.0%	2018	12,000,000	11,350,000	715,000
May 1, 2001	4.4-5.5%	2018	8,500,000	4,685,000	830,000
November 1, 2001	4.0-4.625%	2017	8,000,000	4,915,000	525,000
August 18, 2005	3.25-4.192%	2016	8,490,000	7,295,000	815,000
December 6, 2005	4.0-5.5%	2026	20,000,000	11,950,000	500,000
March 8, 2007	4.0-5.0%	2026	25,000,000	21,800,000	500,000
October 16, 2007	4.0-5.5%	2027	20,000,000	18,300,000	500,000
September 10, 2008	3.5%-5.0%	2033	30,000,000	28,635,000	1,275,000
October 14, 2008	3.0%-4.25%	2024	32,500,000	32,500,000	2,000,000
April 15, 2009	3.0%-4.3%	2024	17,000,000	17,000,000	-
			<u>\$ 217,490,000</u>	<u>\$ 187,805,000</u>	<u>\$ 8,670,000</u>

STATE OF NEW MEXICO  
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Notes to Financial Statements (Continued)

June 30, 2009

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

During the 2009 fiscal year, the County issued \$32,500,000 of Series 2008 General Obligation Bonds secured by property taxes to provide funds for water improvement projects. The interest rate ranges from 3% to 4.25% with the final bond payment due July 1, 2024.

During the 2009 fiscal year, the County issued \$17,000,000 of Series 2009 General Obligation Bonds secured by property taxes to provide funds for open spaces, trails and parks, county roads, fire safety facilities, water projects and waste transfer stations. The interest rate ranges from 3% to 4.3% with the final bond payment due July 1, 2024.

During the 2009 fiscal year, the County issued \$30,000,000 of Series 2008 Gross Receipts Tax bonds secured by gross receipts taxes to provide funds for construction of the Judicial Complex. The interest rate ranges from 3.5% to 5% with the final bond payment due June 2, 2033.

During the 2008 fiscal year, the County issued \$20,000,000 of Series 2007B General Obligation Bonds secured by the County's property tax revenue to provide funds for water and road infrastructure. The interest rate ranges from 4% to 5.5% with the final bond payments due July 1, 2027.

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 rate ranges from 4.0% - 5.0% with the final bond payments due July 1, 2026.

During December 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 rate ranges 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 \$67,120 at June 30, 2009, 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)

June 30, 2009

**(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. The County completed its payments on the bonds in 2009.

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, 2009, interest rate ranges from 4.1% to 6.0%. The bonds are secured by the jail facility and income derived from the jail facility.

Scheduled maturities of general obligation, gross receipts and bonds payable issued through the NMFA are as follows for the years subsequent to June 30, 2009:

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 8,670,000	\$ 8,368,587
2011	7,830,000	7,914,284
2012	9,465,000	7,582,436
2013	7,240,000	7,255,935
2014	7,465,000	6,953,094
2015-2019	44,550,000	29,459,359
2020-2024	51,935,000	19,013,314
2025-2029	40,745,000	6,545,276
2030-2033	9,905,000	1,288,500
	<u>\$ 187,805,000</u>	<u>\$ 94,380,785</u>

**Capitalized Lease Obligations**

The State Board of Finance forgave \$121,485 in lease obligations related to voting machines in 2009 with the passing of House Bill 387.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

Landfill Closure and Postclosure Care Cost

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

State and federal laws and regulations require the County to place a final cover on the County-operated landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be incurred after the date the landfill stops accepting waste, the County reports these closure and postclosure care costs as a liability as of each balance sheet date. The County closed the landfill during fiscal year 1997. The \$1,973,585 reported as landfill closure and postclosure care liability at June 30, 2009 represents management's 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 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 \$14,305 were paid by the General Fund. These amounts are based on what it would cost to perform all closure and postclosure care in fiscal 2009. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Compensated Absences

A long-term liability amounting to \$3,602,309 at June 30, 2009 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. 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 80 hours of compensatory time.

The governmental funds, primarily the general fund, has paid for compensated absences for the year ended June 30, 2009.

Prior Year Defeasance of Debt

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, 2009, \$6,590,000 of the 1997 bonds outstanding are considered defeased.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

Rancho Viejo Improvement District Bonds

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

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

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	40,000	\$ 123,612	\$ 163,612
2011	45,000	120,712	165,712
2012	45,000	117,450	162,450
2013	50,000	114,188	164,188
2014	55,000	110,562	165,562
2015-2019	325,000	489,375	814,375
2020-2024	470,000	352,350	822,350
2025-2029	675,000	154,063	829,063
	<u>\$ 1,705,000</u>	<u>\$ 1,582,312</u>	<u>\$ 3,287,312</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, 2009 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	\$ 973,138
Other notes payable to HUD at various interest rates and terms	3,725,274
Total long-term debt	<u>4,698,412</u>
Less: current portion	<u>137,029</u>
Total long-term portion	<u>\$ 4,561,383</u>



STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

(6) Long-Term Obligations (Continued)

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

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

The aggregate maturities of the Housing Services long-term debt at June 30, 2009 are as follows:

<u>Years Ending</u>	<u>Principal Amount Payable</u>
2010	\$ 137,029
2011	145,038
2012	153,047
2013	167,085
2014	178,112
2015-2019	179,535
2020-thereafter	<u>3,738,566</u>
Total	<u>\$ 4,698,412</u>

Conduit Debt Obligations

The County has issued Project Revenue Bonds to provide assistance for the El Castillo Retirement Residences Project. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. The County is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2009, there were two series of Project Revenue Bonds outstanding, with an aggregate principal amount payable of \$13,555,000.

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, 2009, the amount of bonds outstanding were \$2,950,000.

Total conduit debt outstanding at June 30, 2009 was \$16,505,000.

Pollution remediation liability, see footnote 11.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**PERA Retirement Plan**

*Plan Description.* 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 for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

*Funding Policy.* Plan members are required 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 to contribute 19.0125% of the gross covered salary for general member coverage, and 27.76% for police member coverage. The contribution requirements of plan members and the County are established in State Statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature.

The County contribution to PERA for the fiscal years ended June 30, 2009, 2008 and 2007 were \$8,830,179, \$7,631,724 and \$5,950,620, respectively, which equal the amount of the required contributions for each fiscal year.

The County has no other post employment pension plans.

**Post-Employment Benefits – State Retiree Health Care Plan**

*Plan Description.* The County contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long term care policies.

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

**Post-Employment Benefits – State Retiree Health Care Plan (Continued)**

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The County's contributions to the RHCA for the years ended June 30, 2009, 2008 and 2007 were \$459,432, \$413,934 and \$341,186 which equal the required contributions for the applicable years.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

Fund Balance Adjustments and Reclassifications

During the current year, it was determined that an overpayment, in the Indigent Hospital Fund, of \$572,885 voided in FY 2010, should have been voided in FY 2009. To correct this error, the beginning fund balance of the Indigent Hospital Fund of \$3,082,610, as originally reported, has been increased to \$3,655,465. In addition, beginning total net assets for the County of \$226,168,283, as originally reported, have been increased to \$226,741,165.

Balance of Indigent Hospital Fund, as previously reported	\$ 3,082,610
Restatement due to voided check	<u>572,855</u>
Indigent Hospital Fund balance, as restated	<u><u>\$ 3,655,465</u></u>

In 2009, the County reclassified the Jail Facility Fund from an enterprise fund to a special revenue fund. Since the Jail Facility Fund does not meet the definition of an enterprise fund. The effect of that reclassification is as follows:

Balance of Jail Facility enterprise fund, as previously reported	\$ 8,364,889
Restricted cash reclassified to Jail Revenue Bond Fund	(2,249,600)
Capital assets reclassified from proprietary fund to governmental activities	(21,643,397)
Debt reclassification from proprietary fund to governmental activities	25,535,000
Deferred issuance costs reclassified to governmental activities	(340,929)
Accrued interest	<u>598,246</u>
Jail Facility special revenue fund balance, as restated	<u><u>\$ 10,264,209</u></u>

In 2009, the County established the Jail Revenue Bond debt service fund. This resulted in the reclassified cash restricted for bond payments from the Jail Facility Enterprise Fund to the Jail Revenue Bond Debt Service Fund. The effect of these reclassifications is as follows:

Balance of Jail Revenue Bond Fund, as previously reported	\$ -
Reclassification of restricted cash from Jail Facility Fund	<u>2,249,600</u>
Jail Revenue Bond Fund balance, as restated	<u><u>\$ 2,249,600</u></u>

Beginning in 2002, the County began selling low income homes. In 2009, the County received official approval from HUD to recharacterize the proceeds from 2002 through 2004 sales originally reported in the Housing Services Enterprise Fund to the Home Sales Fund. As a result, a prior period adjustment was necessary to reclass the net proceeds received from 2002-2004 in the Housing Services Fund to the Home Sales Fund.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

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

The effect of these reclassifications are as follows:

Balance of Home Sales Fund, as previously reported	\$ 4,883,764
Reclassification of cash from Housing Services	<u>612,680</u>
Home Sales Fund net asset, as restated	<u>\$ 5,496,444</u>
Balance of Housing Services, as previously reported	\$ (5,633,937)
Reclassification of cash to Home Sales	<u>(612,680)</u>
Housing Services, as restated	<u>\$ (6,246,617)</u>

In 2009, the County established the Emergency Communications Operations special revenue fund to account for the activities of the Regional Emergency Communication Center District.

Fund Balance Deficits

The following funds had a fund balance deficit at June 30, 2009:

Enterprise Funds

The Housing Services enterprise fund has a net assets deficit of \$5,987,636 at June 30, 2009. 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.

Capital Project Funds

The Road Projects Capital Project Fund has a net asset deficit of \$652,274 at June 30, 2009. The deficit is mainly a result of state grant revenues that have not been collected.

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.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

(9) **Applicable Segment Information**

Housing Services - Accounts receivable

The aging of accounts receivable as of June 30, 2009 is as follows:

Current (0-60 days)	\$ 26,193
Past due (more than 61 days)	<u>179,967</u>
	206,160
Less allowance for uncollectible accounts	<u>(152,570)</u>
	<u>\$ 53,590</u>

Housing Services has \$59,843 in tenant deposits that are deposited in Housing Services' general cash account. Housing Services also has \$24,441 held in escrow for other purposes. Housing Services has \$110,131 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, 2009.

**Joint Powers Agreements**

Santa Fe Solid Waste Management Agency - Under authorization of the New Mexico State Statute 11-1-1, Santa Fe County joined City of Santa Fe to undertake their powers to dispose of solid waste as mandated by state and federal regulations and provide a more efficient and cost-effective method of solid waste disposal to the County and City citizens.

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

**(10) Commitments and Contingencies (Continued)**

Joint Powers Agreement (Continued)

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 2009 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.

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 \$216.3 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 approximately \$31 million of 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. The County's share of expenses for the year ended June 30, 2009 was approximately \$120,000.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

**(10) Commitments and Contingencies (Continued)**

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, 2009 was \$1,112,683.

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

Years ending June 30:

2010	\$ 722,455
2011	576,684
2012	346,866
2013	335,740
2014	234,740
2015-2019	562,004
2020-2024	496,426
2025-2029	175,563
	<hr/>
	<u>\$ 3,450,478</u>



STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

**(10) Commitments and Contingencies (Continued)**

Property Tax

There were 305 property tax protests outstanding at June 30, 2009; three of those protests are proceeding to court to be resolved. An estimated amount for refunds related to those protests cannot be determined.

In August 2009, a district judge ruled that the 2001 law placing a 3% cap on increases to property tax unless the property changes ownership, at which time property tax could be adjusted to market value, violated the state constitution. The effect of this ruling may be appealed and the ultimate judicial resolution of this ruling on Santa Fe County cannot be determined.

**(11) Accounting Standard Pronouncements**

The County adopted GASB Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, for the County's fiscal year ended June 30, 2009. The adoption of this GASB is reflected in note 6.

In 2009, the County began construction on its District Courthouse project. During the initial phase of construction, a pollution plume was discovered. Construction was halted in May 2009 to determine the impact of the pollution on the construction.

As of the date of the audit, the County estimates a cost of approximately \$3,000,000 for the remediation of the pollution and another \$200,000 related to the halt in construction. These costs are expected to be incurred and paid within the 2010 fiscal year and have been accrued for in the government wide financial statements.

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. The County has not assessed the future impact on its financial statements due to this GASB pronouncement.

In March 2009, GASB issued Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for the County's fiscal year ending June 30, 2011. This statement provides clearer, more structured fund balance classifications and clarifies the definitions of existing governmental fund types. The County has not assessed the future impact on its financial statements due to this GASB pronouncement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Financial Statements (Continued)

June 30, 2009

**(12) Subsequent Event**

The County has evaluated subsequent events through November 9, 2009 which is the date the financial statements are issued and determined the following event requires disclosure:

In October 2009, the County issued \$12,090,000 in Series 2009 Gross Receipts Tax Revenue Bonds for the acquisition of water rights. Payments will be made June and December, beginning on June 1, 2010 with an interest rate range of 2% to 5%. The final bond payments will be due June 1, 2029.

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, 2009

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	10,000,000	10,000,000	9,751,322	(248,678)
Interest earnings	-	-	-	-
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	-	-
Total revenues	10,000,000	10,000,000	9,751,322	\$ (248,678)
Cash balance carryforward	1,550,000	22,044,090		
Total	\$ 11,550,000	\$ 32,044,090		
Expenditures:				
General government	\$ 11,550,000	\$ 30,119,351	10,842,090	\$ 19,277,261
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	-	-	-
Total expenditures	\$ 11,550,000	\$ 30,119,351	10,842,090	\$ 19,277,261
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	-	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	(1,924,739)	(1,924,739)	-
Total other financing sources (uses)	\$ -	\$ (1,924,739)	(1,924,739)	\$ -
Net income (loss) - Budgetary basis			(3,015,507)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			(198,931)	
To record audit adjustment for expenses			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			4,912,770	
Reversal of prior year accounts payable adjustment			469,823	
Change in net assets - GAAP basis			\$ 2,168,155	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit A-2

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

Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-
Interest earnings	-	-	308,766	308,766
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>308,766</u>	<u>\$ 308,766</u>
Total revenues	-	-	308,766	\$ 308,766
Cash balance carryforward	<u>18,556,335</u>	<u>21,533,780</u>		
Total	<u>\$ 18,556,335</u>	<u>\$ 21,533,780</u>		
Expenditures:				
General government	\$ 18,556,335	\$ 21,533,780	18,935,185	\$ 2,598,595
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 18,556,335</u>	<u>\$ 21,533,780</u>	<u>18,935,185</u>	<u>\$ 2,598,595</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			(18,626,419)	
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			12,769,963	
Reversal of prior year accruals			<u>-</u>	
Change in net assets - GAAP basis			<u>\$ (5,856,456)</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit A-3

Capital Project Fund  
Gross Receipts Tax Bond Series 2008  
Statement of Revenues and Expenditures  
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-
Interest earnings	-	582,285	654,460	72,175
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	582,285	654,460	<u>\$ 72,175</u>
Cash balance carryforward	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ -</u>	<u>\$ 582,285</u>	<hr/>	<hr/>
Expenditures:				
General government	\$ -	\$ -	-	\$ -
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	30,079,437	26,049,913	4,029,524
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	<u>\$ -</u>	<u>\$ 30,079,437</u>	26,049,913	<u>\$ 4,029,524</u>
Other financing sources (uses):				
Bond proceeds	\$ -	\$ 30,079,437	30,079,437	-
Operating transfers in	-	-	-	-
Operating transfers out	-	(582,285)	(582,284)	1
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 29,497,152</u>	29,497,153	<u>\$ 1</u>
Net income (loss) - Budgetary basis			4,101,700	
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			25,910,193	
Reversal of prior year accruals			-	
			<hr/>	
Change in net assets - GAAP basis			<u>\$ 30,011,893</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit A-4

Capital Project Fund  
General Obligation Bond Series 2008  
Statement of Revenues and Expenditures  
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-
Interest earnings	-	-	257,365	257,365
Charges for services	-	-	-	-
Licenses and permits	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	-	-	257,365	<u>\$ 257,365</u>
Cash balance carryforward	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
General government	\$ -	\$ -	-	\$ -
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Public works	-	32,558,500	31,410,123	1,148,377
	<u>-</u>	<u>32,558,500</u>	<u>31,410,123</u>	<u>1,148,377</u>
Total expenditures	<u>\$ -</u>	<u>\$ 32,558,500</u>	<u>31,410,123</u>	<u>\$ 1,148,377</u>
<b>Other financing sources (uses):</b>				
Bond proceeds	\$ -	\$ 32,558,500	32,558,500	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 32,558,500</u>	<u>32,558,500</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			1,405,742	
<b>Reconciliation to GAAP basis income (loss):</b>				
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			9,300,000	
Reversal of prior year accruals			-	
			<u>-</u>	
Change in net assets - GAAP basis			<u>\$ 10,705,742</u>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit B-1  
Page 1 of 5

Enterprise Funds  
Combining Statement of Revenues and Expenditures  
Budget to Actual (Non-GAAP Basis)  
Year Ended June 30, 2009

	Housing Services			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 410,000	\$ 410,000	\$ 362,839	\$ (47,161)
Water sales	-	-	-	-
Other revenues	-	-	1,721	1,721
Total revenues	<u>410,000</u>	<u>410,000</u>	<u>364,560</u>	<u>\$ (45,440)</u>
Cash balance carryforward	329,637	401,968		
Total	<u>\$ 739,637</u>	<u>\$ 811,968</u>		
Operating expenditures:				
Public safety	\$ -	\$ -	-	\$ -
Health and welfare	<u>1,062,637</u>	<u>1,143,858</u>	<u>1,032,505</u>	<u>111,353</u>
Total operating expenditures	<u>\$ 1,062,637</u>	<u>\$ 1,143,858</u>	<u>1,032,505</u>	<u>\$ 111,353</u>
Total operating income (loss)			<u>(667,945)</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	20,853	\$ 20,853
HUD operating subsidy and other federal/state funds	323,000	331,890	430,748	98,858
Transfers in (out)	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ 323,000</u>	<u>\$ 331,890</u>	<u>451,601</u>	<u>\$ 119,711</u>
Net income (loss) - Budgetary basis			(216,344)	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			201,717	
To record contributed capital not recorded as budgetary revenue			586,145	
To record audit adjustment for revenue			24,147	
To record interest expense			(328,846)	
Audit entry to increase reserve for uncollectible receivables			-	
Capital outlay expenditures expensed for budgetary purposes			2,638	
Depreciation and amortization expenses not recorded as budgetary expenditures			(73,934)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			63,458	
Reversal of prior year accruals			-	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Cost of sales for home sales			-	
Change in net assets - GAAP basis			<u>\$ 258,981</u>	

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

(Continued)

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit B-1  
Page 2 of 5

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

Year Ended June 30, 2009

	Utilities Department			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ -	\$ -	\$ -	\$ -
Water sales	1,574,018	1,574,018	1,723,564	149,546
Other revenues	19,695	19,695	98,217	78,522
Total revenues	<u>1,593,713</u>	<u>1,593,713</u>	<u>1,821,781</u>	<u>\$ 228,068</u>
Cash balance carryforward	20,320	217,628		
Total	<u>\$ 1,614,033</u>	<u>\$ 1,811,341</u>		
Operating expenditures:				
Public safety	\$ 1,627,823	\$ 5,770,490	3,520,285	\$ 2,250,205
Health and welfare	-	-	-	-
Total operating expenditures	<u>\$ 1,627,823</u>	<u>\$ 5,770,490</u>	<u>3,520,285</u>	<u>\$ 2,250,205</u>
Total operating income (loss)			<u>(1,698,504)</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ 13,790	\$ 13,790	49,091	\$ 35,301
HUD operating subsidy and other federal/state funds	-	2,306,500	102,703	(2,203,797)
Transfers in (out)	-	1,638,859	1,638,858	(1)
Total non-operating revenues (expenses)	<u>\$ 13,790</u>	<u>\$ 3,959,149</u>	<u>1,790,652</u>	<u>\$ (2,168,497)</u>
Net income (loss) - Budgetary basis			92,148	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			37,528,122	
To record audit adjustment for revenue			146,648	
To record interest expense			-	
Audit entry to adjust reserve for uncollectible receivables			(129,961)	
Capital outlay expenditures expensed for budgetary purposes			1,720,232	
Depreciation and amortization expenses not recorded as budgetary expenditures			(330,895)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			171,520	
Reversal of prior year accruals			142,216	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Cost of sales for home sales			-	
Change in net assets - GAAP basis			<u>\$ 39,340,030</u>	

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

(Continued)



STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit B-1  
Page 3 of 5

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

Year Ended June 30, 2009

	Regional Planning Authority			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ -	\$ -	\$ -	\$ -
Water sales	-	-	-	-
Other revenues	30,000	100,000	51,199	(48,801)
Total revenues	<u>30,000</u>	<u>100,000</u>	<u>51,199</u>	<u>\$ (48,801)</u>
Cash balance carryforward	-	78,664		
 Total	<u>\$ 30,000</u>	<u>\$ 178,664</u>		
Operating expenditures:				
Public safety	\$ 60,000	\$ 208,664	157,595	\$ 51,069
Health and welfare	-	-	-	-
Total operating expenditures	<u>\$ 60,000</u>	<u>\$ 208,664</u>	<u>157,595</u>	<u>\$ 51,069</u>
Total operating income (loss)			<u>(106,396)</u>	
Non-operating revenues (expenses):				
Interest on investments	\$ -	\$ -	-	\$ -
HUD operating subsidy and other federal funds	-	-	-	-
Transfers in (out)	30,000	30,000	30,000	-
Total non-operating revenues (expenses)	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>30,000</u>	<u>\$ -</u>
Net income (loss) - Budgetary basis			(76,396)	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			-	
To record audit adjustment for revenue			19,748	
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			(617)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			43,937	
Reversal of prior year accruals			-	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Cost of sales for home sales			-	
Change in net assets - GAAP basis			<u>\$ (13,328)</u>	

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit B-1  
Page 4 of 5

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

Year Ended June 30, 2009

	Home Sales			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ -	\$ -	\$ -	\$ -
Water sales	-	-	-	-
Other revenues	-	-	5,740	5,740
Total revenues	-	-	5,740	\$ 5,740
Cash balance carryforward	-	80,332		
Total	\$ -	\$ 80,332		
Operating expenditures:				
Public safety	\$ -	\$ -	-	\$ -
Health and welfare	-	80,332	71,912	8,420
Total operating expenditures	\$ -	\$ 80,332	71,912	\$ 8,420
Total operating income (loss)			(66,172)	
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			(66,172)	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			-	
To record contributed capital not recorded as budgetary revenue			-	
To record audit adjustment for revenue			-	
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			17,570	
Reversal of prior year accruals			-	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Capital assets contributions (expense)			(586,145)	
Change in net assets - GAAP basis			\$ (634,747)	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit B-1  
Page 5 of 5

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

Year Ended June 30, 2009

	Totals (Memorandum Only)			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Operating revenues:				
Facilities rental and charges for services	\$ 410,000	\$ 410,000	\$ 362,839	\$ (47,161)
Water sales	1,574,018	1,574,018	1,723,564	149,546
Other revenues	49,695	119,695	156,877	37,182
Total Revenues	2,033,713	2,103,713	2,243,280	\$ 139,567
Cash balance carryforward	349,957	778,592		
Total	\$ 2,383,670	\$ 2,882,305		
Operating expenditures:				
Public safety	\$ 1,687,823	\$ 5,979,154	3,677,880	2,301,274
Health and welfare	1,062,637	1,224,190	1,104,417	119,773
Total operating expenditures	\$ 2,750,460	\$ 7,203,344	4,782,297	\$ 2,421,047
Total operating income (loss)			(2,539,017)	
Non-operating revenues (expenses):				
Interest on investments	\$ 13,790	\$ 13,790	69,944	\$ 56,154
HUD operating subsidy and other federal funds	323,000	2,638,390	533,451	(2,104,939)
Transfers in (out)	30,000	1,668,859	1,668,858	(1)
Total non-operating revenues (expenses)	\$ 366,790	\$ 4,321,039	2,272,253	\$ (2,048,786)
Net income (loss) - Budgetary basis			(266,764)	
Reconciliation to GAAP basis income (loss):				
Forgiveness of debt by HUD			201,717	
To record contributed capital not recorded as budgetary revenue			38,114,267	
To record audit adjustment for revenue			190,543	
To record interest expense			(328,846)	
Audit entry to increase reserve for uncollectible accounts			(129,961)	
Capital outlay expenditures expensed for budgetary purposes			1,722,870	
Depreciation and amortization expenses not recorded as budgetary expenditures			(405,446)	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			278,915	
Reversal of prior year accruals			159,786	
Principal repayment of debt recorded as an expenditure for budgetary purposes			-	
Cost of sales for home sales			(586,145)	
Change in Net Assets - GAAP basis			\$ 38,950,936	

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit C-1

Combining Balance Sheet

Non Major Governmental Funds

June 30, 2009

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>				
Equity in pooled cash investments - Restricted	\$ 37,013,293	\$ 16,163,100	\$ 22,496,877	\$ 75,673,270
Equity in pooled cash investments - Unrestricted	-	-	-	-
Receivables, net of allowance for uncollectibles:				
Accounts	1,790,252	-	-	1,790,252
Taxes	3,968,547	1,354,669	-	5,323,216
Interest	-	10,109	-	10,109
Grantor agencies and other	895,415	-	4,522,201	5,417,616
Mortgages	-	-	-	-
Due from other funds	-	5,719	-	5,719
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets and other debits	<u>\$ 43,667,507</u>	<u>\$ 17,533,597</u>	<u>\$ 27,019,078</u>	<u>\$ 88,220,182</u>
<b>LIABILITIES &amp; FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 896,932	\$ 450	\$ 655,123	\$ 1,552,505
Accrued payroll	396,145	-	-	396,145
Due to other funds	81,443	-	1,382,188	1,463,631
Deferred revenue	-	1,115,840	3,199,252	4,315,092
Deposits held for others	110,131	-	-	110,131
Total	<u>1,484,651</u>	<u>1,116,290</u>	<u>5,236,563</u>	<u>7,837,504</u>
Fund Balance				
Reserved for:				
Encumbrances	2,985,735	-	2,895,888	5,881,623
Debt service	-	16,417,307	-	16,417,307
Total reserved fund equity	<u>2,985,735</u>	<u>16,417,307</u>	<u>2,895,888</u>	<u>22,298,930</u>
Unreserved - Designated for:				
Subsequent year expenditures by grant or law	39,196,593	-	-	39,196,593
Capital improvements	-	-	19,947,776	19,947,776
Unreserved - Undesignated	-	-	(1,061,149)	(1,061,149)
Total unreserved fund balances	<u>39,196,593</u>	<u>          </u>	<u>18,886,627</u>	<u>58,083,220</u>
Total fund balances	<u>42,182,328</u>	<u>16,417,307</u>	<u>21,782,515</u>	<u>80,382,150</u>
Total liabilities, fund equity	<u>\$ 43,666,979</u>	<u>\$ 17,533,597</u>	<u>\$ 27,019,078</u>	<u>\$ 88,219,654</u>

The accompanying notes are an integral part of this financial 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, 2009

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>Revenues</b>				
Grants	\$ 7,068,753	\$ -	\$ 3,631,628	\$ 10,700,381
Property tax	1,107,167	12,528,575	-	13,635,742
Gross receipts tax	23,834,684	887,071	-	24,721,755
Other taxes and assessments	1,044,485	-	-	1,044,485
Interest earnings	24,196	29,179	230,100	283,475
Charges for services, fines and penalties	9,273,441	-	-	9,273,441
Other	610,444	-	19,331	629,775
Total revenues	<u>42,963,170</u>	<u>13,444,825</u>	<u>3,881,059</u>	<u>60,289,054</u>
<b>Expenditures</b>				
<b>Current</b>				
General government	1,276,916	-	-	1,276,916
Public safety	13,799,332	-	-	13,799,332
Highways and streets	3,065,721	-	-	3,065,721
Health and welfare	17,626,705	-	-	17,626,705
Culture and recreation	108,674	-	-	108,674
Economic development	591,807	-	-	591,807
Capital outlay	-	-	15,873,755	15,873,755
Debt service (principal and interest)	-	17,157,107	-	17,157,107
Debt issuance costs and other	-	5,342	87,110	92,452
Total expenditures	<u>36,469,155</u>	<u>17,162,449</u>	<u>15,960,865</u>	<u>69,592,469</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,494,015</u>	<u>(3,717,624)</u>	<u>(12,079,806)</u>	<u>(9,303,415)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers, in	4,608,772	5,764,789	2,104,919	12,478,480
Operating transfers, out	(6,426,866)	(920,000)	(721,545)	(8,068,411)
Proceeds from bonds	-	-	17,251,548	17,251,548
Total other financing sources (uses)	<u>(1,818,094)</u>	<u>4,844,789</u>	<u>18,634,922</u>	<u>21,661,617</u>
Net changes in fund balances	<u>4,675,921</u>	<u>1,127,165</u>	<u>6,555,116</u>	<u>12,358,202</u>
Fund balance, beginning of year	36,933,522	13,040,542	15,227,399	65,201,463
Prior period restatement/reclassification	572,885	2,249,600	-	2,822,485
Fund balance, beginning as restated	<u>37,506,407</u>	<u>15,290,142</u>	<u>15,227,399</u>	<u>68,023,948</u>
Fund balance end of year	<u>\$ 42,182,328</u>	<u>\$ 16,417,307</u>	<u>\$ 21,782,515</u>	<u>\$ 80,382,150</u>

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

NON MAJOR SPECIAL REVENUE FUNDS

June 30, 2009

*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) makes 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 Protection Fund.* Revenues of the Fire Protection 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)

JUNE 30, 2009

*Fire Impact Fees.* This fund 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.

*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.* This fund provides 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 forfeiture 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.

*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.

*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.

STATE OF NEW MEXICO  
SANTA FE COUNTY

NON MAJOR SPECIAL REVENUE FUNDS (Continued)

June 30, 2009

*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.

*EMS Health Care.* This fund was created to contain health service payments received through a Memorandum of Understanding with St. Vincent's Hospital and other receipts to benefit the County's health programs and the Regional Emergency Communications Center.

*EMS Health Hospital.* This fund was created to contain the 1/8 cent Gross Receipts tax dedicated to emergency services.

*Fire Operations Fund.* This fund was created to contain the Emergency Communications and Emergency Medical Services Gross Receipts Tax and fire-dedicated revenue, and expenses associated with operation of the County Fire Department.

*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.

*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.

*Linkages.* This fund was created to account for a rental assistance program specific to families with identified disabilities funded by the New Mexico Mortgage Finance Authority.

*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.

*Emergency Communication Operations.* This fund was created to account for the operation and management of the Regional Emergency Communication Center District.



STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Balance Sheet

June 30, 2009

	Corrections Fund	Valuation Fund	Road Maintenance	Emergency Medical Services	Farm and Range	Fire Protection Fund
<b>ASSETS</b>						
Equity in pooled cash and investments - restricted	\$ 137,893	\$ 1,306,174	\$ 1,893,057	\$ 164,033	\$ 7,179	\$ 7,972,958
Receivables, net of allowance for uncollectibles:						
Accounts	-	-	-	-	-	-
Taxes	-	-	70,165	-	-	13,780
Interest	-	-	-	-	-	-
Grantor agencies and other	-	298	1,815	520	-	1,335
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 137,893</u>	<u>\$ 1,306,472</u>	<u>\$ 1,965,037</u>	<u>\$ 164,553</u>	<u>\$ 7,179</u>	<u>\$ 7,988,073</u>
<b>LIABILITIES &amp; FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 8,048	\$ 90,185	\$ 121,409	\$ 2,716	\$ -	\$ 69,450
Accrued payroll	-	22,764	35,067	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	-	-	-	-	-
Total liabilities	<u>8,048</u>	<u>112,949</u>	<u>156,476</u>	<u>2,716</u>	<u>-</u>	<u>69,450</u>
Fund Balances (deficit):						
Reserved fund balance for encumbrances	-	203,851	269,278	14,606	-	274,886
Reserved fund balance by grant or law	129,845	989,672	1,539,283	147,231	7,179	7,643,737
Total reserved fund balance	<u>129,845</u>	<u>1,193,523</u>	<u>1,808,561</u>	<u>161,837</u>	<u>7,179</u>	<u>7,918,623</u>
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-	-	-	-
Total fund balance (deficit)	<u>129,845</u>	<u>1,193,523</u>	<u>1,808,561</u>	<u>161,837</u>	<u>7,179</u>	<u>7,918,623</u>
Total liabilities & fund balances	<u>\$ 137,893</u>	<u>\$ 1,306,472</u>	<u>\$ 1,965,037</u>	<u>\$ 164,553</u>	<u>\$ 7,179</u>	<u>\$ 7,988,073</u>

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Balance Sheet (Continued)

June 30, 2009

	Law Enforcement Protection Fund	Lodgers' Tax	Fire Impact Fees	Clerk Recording	Indigent Hospital	Economic Development Fund
\$ 42,499	\$ 1,469,088	\$ 3,530,301	\$ 390,931	\$ 2,634,984	\$ 86,271	
-	-	-	-	-	-	
-	51,908	-	-	804,930	-	
-	-	-	-	-	-	
74,768	-	-	-	493	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>\$ 117,267</u>	<u>\$ 1,520,996</u>	<u>\$ 3,530,301</u>	<u>\$ 390,931</u>	<u>\$ 3,440,407</u>	<u>\$ 86,271</u>	

ASSETS

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

Accounts	-
Taxes	-
Interest	-
Grantor agencies and other	74,768
Mortgages	-
Due from other funds	-
Total assets	<u>\$ 117,267</u>

LIABILITIES & FUND BALANCE

Liabilities:

Accounts payable	\$ 13,528	\$ 33,042	\$ -	\$ -	\$ 621	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	-	-	-	-	-
Total liabilities	<u>13,528</u>	<u>33,042</u>	<u>-</u>	<u>-</u>	<u>621</u>	<u>-</u>

Fund Balance (deficit):

Reserved fund balance for encumbrances	30,710	63,317	332,800	23,366	-	3,320
Reserved fund balance by grant or law	73,029	1,424,637	3,197,501	367,565	3,439,786	82,951
Total reserved fund balance	<u>103,739</u>	<u>1,487,954</u>	<u>3,530,301</u>	<u>390,931</u>	<u>3,439,786</u>	<u>86,271</u>
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-	-	-	-
Total fund balance (deficit)	<u>103,739</u>	<u>1,487,954</u>	<u>3,530,301</u>	<u>390,931</u>	<u>3,439,786</u>	<u>86,271</u>
Total liabilities & fund balances	<u>\$ 117,267</u>	<u>\$ 1,520,996</u>	<u>\$ 3,530,301</u>	<u>\$ 390,931</u>	<u>\$ 3,440,407</u>	<u>\$ 86,271</u>

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Balance Sheet (Continued)

June 30, 2009

	Federal Forfeitures Monies	Section 8 Voucher Monies	CFP Program	Correctional Gross Receipts Tax	Wildlife Mountain Trails	EMS Health Care
<b>ASSETS</b>						
Equity in pooled cash and investments - restricted	\$ 65,142	\$ 912,760	\$ -	\$ 1,155,507	\$ 541,024	\$ 4,694,308
Receivables, net of allowance for uncollectibles:						
Accounts	-	24,997	-	-	-	28,871
Taxes	-	-	-	802,523	-	-
Interest	-	-	-	-	-	-
Grantor agencies and other	-	-	147,896	-	-	125
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 65,142	\$ 937,757	\$ 147,896	\$ 1,958,030	\$ 541,024	\$ 4,723,304
<b>LIABILITIES &amp; FUND BALANCE</b>						
Liabilities:						
Accounts payable	\$ 1,499	\$ 5,510	\$ 49,358	\$ -	\$ -	\$ 32,405
Accrued payroll	-	-	1,875	-	4,022	18,345
Due to other funds	-	-	77,353	-	-	-
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	110,131	-	-	-	-
Total liabilities	1,499	115,641	128,586	-	4,022	50,750
Fund Balance (deficit):						
Reserved fund balance for encumbrances	1,998	25,675	-	-	-	968,285
Reserved fund balance by grant or law	61,645	796,441	19,310	1,958,030	537,002	3,704,269
Total reserved fund balance	63,643	822,116	19,310	1,958,030	537,002	4,672,554
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-	-	-	-
Total fund balance (deficit)	63,643	822,116	19,310	1,958,030	537,002	4,672,554
Total liabilities & fund balances	\$ 65,142	\$ 937,757	\$ 147,896	\$ 1,958,030	\$ 541,024	\$ 4,723,304

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Balance Sheet (Continued)

June 30, 2009

	EMS Health Hospital	Fire Operations Fund	Alcohol Programs Fund	Detox Programs Fund	Indigent Services Fund	Linkages
ASSETS						
Equity in pooled cash and investments - restricted	\$ 655,787	\$ 5,483,756	\$ 107,707	\$ 431,573	\$ 2,189,131	\$ -
Receivables, net of allowance for uncollectibles:						
Accounts	-	1,416,721	-	319,663	-	-
Taxes	804,930	1,420,308	-	-	-	-
Interest	-	-	-	-	-	-
Grantor agencies and other	-	-	423,190	232,860	-	12,115
Mortgages	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 1,460,717	\$ 8,320,785	\$ 530,897	\$ 984,096	\$ 2,189,131	\$ 12,115

LIABILITIES & FUND BALANCE

Liabilities:						
Accounts payable	\$ -	\$ 60,952	\$ 76,716	\$ 1,187	\$ 244,017	\$ -
Accrued payroll	-	187,823	18,328	32,951	5,722	-
Due to other funds	-	-	-	-	-	4,090
Deferred revenue	-	-	-	-	-	-
Deposits held for others	-	-	-	-	-	-
Total liabilities	-	248,775	95,044	34,138	249,739	4,090
Fund Balance (deficit):						
Reserved fund balance for encumbrances	-	288,208	55,467	20,550	393,057	-
Reserved fund balance by grant or law	1,460,717	7,783,802	380,386	929,408	1,546,335	8,025
Total reserved fund balance	1,460,717	8,072,010	435,853	949,958	1,939,392	8,025
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-	-	-	-
Total fund balance (deficit)	1,460,717	8,072,010	435,853	949,958	1,939,392	8,025
Total liabilities & fund balances	\$ 1,460,717	\$ 8,320,785	\$ 530,897	\$ 984,096	\$ 2,189,131	\$ 12,115

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Special Revenue Funds  
Combining Balance Sheet (Continued)

June 30, 2009

	ASSETS		
	Recreation	Emergency Comm Operations	Totals
Equity in pooled cash and investments - restricted	\$ 10,912	\$ 1,130,318	\$ 37,013,293
Receivables, net of allowance for uncollectibles:			
Accounts	-	-	1,790,252
Taxes	3	-	3,968,547
Interest	-	-	-
Grantor agencies and other	-	-	895,415
Mortgages	-	-	-
Due from other funds	-	-	-
<b>Total assets</b>	<b>\$ 10,915</b>	<b>\$ 1,130,318</b>	<b>\$ 43,667,507</b>
<b>LIABILITIES &amp; FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$ -	\$ 86,817	\$ 897,460
Accrued payroll	-	69,248	396,145
Due to other funds	-	-	81,443
Deferred revenue	-	-	-
Deposits held for others	-	-	110,131
Total liabilities	-	156,065	1,485,179
Fund Balance (deficit):			
Reserved fund balance for encumbrances	-	16,361	2,985,735
Reserved fund balance by grant or law	10,915	957,892	39,196,593
Total reserved fund balance	10,915	974,253	42,182,328
Unreserved fund balance (deficit) designated for subsequent year expenditures	-	-	-
Total fund balance (deficit)	10,915	974,253	42,182,328
<b>Total liabilities &amp; fund balances</b>	<b>\$ 10,915</b>	<b>\$ 1,130,318</b>	<b>\$ 43,667,507</b>

The accompanying notes are an integral part of this financial 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, 2009

	Corrections Fund	Valuation Fund	Road Maintenance	Emergency Medical Services	Farm and Range	Fire Protection Fund
Revenues:						
Grants	\$ -	\$ -	\$ 69,605	\$ 130,606	\$ 714	\$ 1,446,057
Property tax	-	1,107,167	-	-	-	-
Gross receipts tax	-	-	-	-	-	1,004,089
Other taxes and assessments	-	-	664,808	-	-	-
Interest earnings	-	-	-	-	-	-
Charges for services and fees	266,303	-	9,316	-	-	-
Other	-	-	83	-	-	1,791
Total revenues	<u>266,303</u>	<u>1,107,167</u>	<u>743,812</u>	<u>130,606</u>	<u>714</u>	<u>2,451,937</u>
Expenditures:						
General government	-	1,154,903	-	-	-	-
Public safety	-	-	-	94,473	-	1,386,834
Highways and streets	-	-	3,065,721	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	-	<u>1,154,903</u>	-	<u>94,473</u>	-	<u>1,386,834</u>
Excess (deficiency) of revenues over expenditures	<u>266,303</u>	<u>(47,736)</u>	<u>(2,321,909)</u>	<u>36,133</u>	<u>714</u>	<u>1,065,103</u>
Other financing sources (uses):						
Operating transfers in	-	-	2,561,481	-	-	-
Operating transfers out	<u>(200,000)</u>	-	-	-	-	<u>(3,766)</u>
Total other financing sources (uses)	<u>(200,000)</u>	-	<u>2,561,481</u>	-	-	<u>(3,766)</u>
Net change in fund balances	<u>66,303</u>	<u>(47,736)</u>	<u>239,572</u>	<u>36,133</u>	<u>714</u>	<u>1,061,337</u>
Fund balance (deficit), beginning of year	63,542	1,241,259	1,568,989	125,704	6,465	6,857,286
Prior period restatement/reclassification	-	-	-	-	-	-
Fund balance, beginning as restated	<u>63,542</u>	<u>1,241,259</u>	<u>1,568,989</u>	<u>125,704</u>	<u>6,465</u>	<u>6,857,286</u>
Fund balance (deficit), end of year	<u>\$ 129,845</u>	<u>\$ 1,193,523</u>	<u>\$ 1,808,561</u>	<u>\$ 161,837</u>	<u>\$ 7,179</u>	<u>\$ 7,918,623</u>

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

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, 2009

	Law Enforcement Protection Fund	Lodgers' Tax	Fire Impact Fees	Clerk Recording	Indigent Hospital	Economic Development Fund
Revenues:						
Grants	\$ 147,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -
Property tax	-	-	-	-	-	-
Gross receipts tax	-	-	-	-	4,784,291	-
Other taxes and assessments	-	358,379	-	-	-	-
Interest earnings	-	17,120	-	-	-	-
Charges for services and fees	-	-	318,240	139,793	-	7,500
Other	-	-	-	-	-	-
Total revenues	<u>147,000</u>	<u>380,499</u>	<u>318,240</u>	<u>139,793</u>	<u>4,784,291</u>	<u>7,500</u>
Expenditures:						
General government	-	-	-	122,013	-	-
Public safety	52,012	-	629,530	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	4,842,450	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	354,702	-	-	-	237,105
Total expenditures	<u>52,012</u>	<u>354,702</u>	<u>629,530</u>	<u>122,013</u>	<u>4,842,450</u>	<u>237,105</u>
Excess (deficiency) of revenues over expenditures	<u>94,988</u>	<u>25,797</u>	<u>(311,290)</u>	<u>17,780</u>	<u>(58,159)</u>	<u>(229,605)</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	240,425
Operating transfers out	-	-	-	-	(157,550)	-
Total other financing sources (uses)	-	-	-	-	(157,550)	240,425
Net change in fund balances	<u>94,988</u>	<u>25,797</u>	<u>(311,290)</u>	<u>17,780</u>	<u>(215,709)</u>	<u>10,820</u>
Fund balance (deficit), beginning of year	8,751	1,462,157	3,841,591	373,151	3,082,610	75,451
Prior period restatement/reclassification	-	-	-	-	572,885	-
Fund balance, beginning as restated	<u>8,751</u>	<u>1,462,157</u>	<u>3,841,591</u>	<u>373,151</u>	<u>3,655,495</u>	<u>75,451</u>
Fund balance (deficit), end of year	<u>\$ 103,739</u>	<u>\$ 1,487,954</u>	<u>\$ 3,530,301</u>	<u>\$ 390,931</u>	<u>\$ 3,439,786</u>	<u>\$ 86,271</u>

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

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, 2009

	Federal Forfeitures Monies	Section 8 Voucher Program	CFP Program	Correctional Gross Receipts Tax	Wildlife Mountain Trails	EMS Health Care
Revenues:						
Grants	\$ -	\$ 2,101,692	\$ 323,896	\$ -	\$ 55,100	\$ 138,865
Property tax	-	-	-	-	-	-
Gross receipts tax	-	-	-	4,766,110	-	-
Other taxes and assessments	19,813	-	-	-	-	-
Interest earnings	-	7,076	-	-	-	-
Charges for services and fees	-	5,542	-	-	-	1,533,376
Other	-	6,510	8,534	-	146,342	21,185
Total revenues	19,813	2,120,820	332,430	4,766,110	201,442	1,693,426
Expenditures:						
General government	-	-	-	-	-	-
Public safety	13,936	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	2,001,676	324,152	-	-	1,335,034
Culture and recreation	-	-	-	-	108,674	-
Economic development	-	-	-	-	-	-
Total expenditures	13,936	2,001,676	324,152	-	108,674	1,335,034
Excess (deficiency) of revenues over expenditures	5,877	119,144	8,278	4,766,110	92,768	358,392
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	157,550
Operating transfers out	-	-	-	(5,000,000)	-	-
Total other financing sources (uses)	-	-	-	(5,000,000)	-	157,550
Net change in fund balances	5,877	119,144	8,278	(233,890)	92,768	515,942
Fund balance (deficit), beginning of year	57,766	702,972	11,032	2,191,920	444,234	4,156,612
Prior period restatement/reclassification	-	-	-	-	-	-
Fund balance, beginning as restated	57,766	702,972	11,032	2,191,920	444,234	4,156,612
Fund balance (deficit), end of year	\$ 63,643	\$ 822,116	\$ 19,310	\$ 1,958,030	\$ 537,002	\$ 4,672,554

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



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, 2009

	EMS Health Hospital	Fire Operations Fund	Alcohol Programs Fund	Detox Programs Fund	Indigent Services Fund	Linkages
Revenues:						
Grants	\$ -	\$ 1,212,288	\$ 1,078,605	\$ 182,279	\$ -	\$ 77,973
Property tax	-	-	-	-	-	-
Gross receipts tax	4,784,391	8,495,803	-	-	-	-
Other taxes and assessments	-	-	-	-	-	-
Interest earnings	-	-	-	-	-	-
Charges for services	-	1,420,985	72,862	1,072,420	1,974,473	-
Other	-	174,524	-	-	-	-
Total revenues	<u>4,784,391</u>	<u>11,303,600</u>	<u>1,151,467</u>	<u>1,254,699</u>	<u>1,974,473</u>	<u>77,973</u>
Expenditures:						
General government	-	-	-	-	-	-
Public safety	-	8,417,621	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	4,842,450	-	1,135,517	1,313,001	1,756,818	75,607
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	<u>4,842,450</u>	<u>8,417,621</u>	<u>1,135,517</u>	<u>1,313,001</u>	<u>1,756,818</u>	<u>75,607</u>
Excess (deficiency) of revenues over expenditures	<u>(58,059)</u>	<u>2,885,979</u>	<u>15,950</u>	<u>(58,302)</u>	<u>217,655</u>	<u>2,366</u>
Other financing sources (uses):						
Operating transfers in	-	3,766	75,000	37,000	157,550	-
Operating transfers out	(157,550)	(688,000)	(220,000)	-	-	-
Total other financing sources (uses)	<u>(157,550)</u>	<u>(684,234)</u>	<u>(145,000)</u>	<u>37,000</u>	<u>157,550</u>	<u>-</u>
Net change in fund balances	<u>(215,609)</u>	<u>2,201,745</u>	<u>(129,050)</u>	<u>(21,302)</u>	<u>375,205</u>	<u>2,366</u>
Fund balance (deficit), beginning of year	1,676,326	5,870,265	564,903	971,260	1,564,187	5,659
Prior period restatement/reclassification	-	-	-	-	-	-
Fund balance, beginning as restated	<u>1,676,326</u>	<u>5,870,265</u>	<u>564,903</u>	<u>971,260</u>	<u>1,564,187</u>	<u>5,659</u>
Fund balance (deficit), end of year	<u>\$ 1,460,717</u>	<u>\$ 8,072,010</u>	<u>\$ 435,853</u>	<u>\$ 949,958</u>	<u>\$ 1,939,392</u>	<u>\$ 8,025</u>

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

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, 2009

	Recreation	Emergency Comm Operations	Totals
Revenues:			
Grants	\$ -	\$ 99,073	\$ 7,068,753
Property tax	-	-	1,107,167
Gross receipts tax	-	-	23,834,684
Other taxes and assessments	1,485	-	1,044,485
Interest earnings	-	-	24,196
Charges for services	-	2,452,631	9,273,441
Other	-	251,475	610,444
Total revenues	1,485	2,803,179	42,963,170
Expenditures:			
General government	-	-	1,276,916
Public safety	-	3,204,926	13,799,332
Highways and streets	-	-	3,065,721
Health and welfare	-	-	17,626,705
Culture and recreation	-	-	108,674
Economic development	-	-	591,807
Total expenditures	-	3,204,926	36,469,155
Excess (deficiency) of revenues over expenditures	1,485	(401,747)	6,494,015
Other financing sources (uses):			
Operating transfers in	-	1,376,000	4,608,772
Operating transfers out	-	-	(6,426,866)
Total other financing sources (uses)	-	1,376,000	(1,818,094)
Net change in fund balances	1,485	974,253	4,675,921
Fund balance (deficit), beginning of year	9,430	-	36,933,522
Prior period restatement/reclassification	-	-	572,885
Fund balance, beginning as restated	9,430	-	37,506,407
Fund balance (deficit), end of year	\$ 10,915	\$ 974,253	\$ 42,182,328

The accompanying notes are an integral part of this financial 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, 2009

		Corrections Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	200,000	200,000	266,303	66,303
	Other	-	-	-	-
	Total revenues	<u>200,000</u>	<u>200,000</u>	<u>266,303</u>	<u>\$ 66,303</u>
	Cash balance carryforward	-	-		
	Total	<u>\$ 200,000</u>	<u>\$ 200,000</u>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	(200,000)	(200,000)	(200,000)	-
	Total other financing sources (uses)	<u>\$ (200,000)</u>	<u>\$ (200,000)</u>	<u>(200,000)</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			66,303	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	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>\$ 66,303</u>	

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit D-3  
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Non Major Special Revenue Funds  
Combining Statement of Revenues and Expenditures  
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2009

		Valuation Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	950,000	950,000	1,107,167	157,167
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	<b>Total revenues</b>	<b>950,000</b>	<b>950,000</b>	<b>1,107,167</b>	<b>\$ 157,167</b>
	Cash balance carryforward	213,425	839,935		
	<b>Total</b>	<b>\$ 1,163,425</b>	<b>\$ 1,789,935</b>		
<b>Expenditures:</b>					
	General government services	\$ 1,163,425	\$ 1,789,935	1,358,754	\$ 431,181
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<b>\$ 1,163,425</b>	<b>\$ 1,789,935</b>	<b>1,358,754</b>	<b>\$ 431,181</b>
<b>Other financing sources (uses):</b>					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Net income (loss) - Budgetary basis				(251,587)	
<b>Reconciliation to GAAP basis income (loss):</b>					
To record audit adjustments for revenue, net of prior year revenue reversals				-	
To record audit adjustment for a mortgage receivable recorded as a budgetary expense				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes				203,851	
Reversal of prior year accruals				-	
<b>Change in fund balance - GAAP basis</b>				<b>\$ (47,736)</b>	

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

(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, 2009

		Road Maintenance			Variance- Favorable (Unfavorable)
		Original Budget	Final Budget	Actual	
<b>Revenues:</b>					
	Grants	\$ 42,000	\$ 42,000	\$ 69,605	\$ 27,605
	Taxes and special assessments	700,000	700,000	667,531	(32,469)
	Interest earnings	-	-	-	-
	Charges for services	9,000	9,000	9,316	316
	Other	-	-	83	83
	<b>Total revenues</b>	<b>751,000</b>	<b>751,000</b>	<b>746,535</b>	<b>\$ (4,465)</b>
	Cash balance carryforward	244,000	725,783		
	<b>Total</b>	<b>\$ 995,000</b>	<b>\$ 1,476,783</b>		
<b>Expenditures:</b>					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	3,556,481	4,038,264	3,334,998	703,266
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<b>\$ 3,556,481</b>	<b>\$ 4,038,264</b>	<b>3,334,998</b>	<b>\$ 703,266</b>
<b>Other financing sources (uses):</b>					
	Operating transfers in	\$ 2,561,481	\$ 2,561,481	2,561,481	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ 2,561,481</b>	<b>\$ 2,561,481</b>	<b>2,561,481</b>	<b>\$ -</b>
<b>Net income (loss) - Budgetary basis</b>				<b>(26,982)</b>	
<b>Reconciliation to GAAP basis income (loss):</b>					
To record audit adjustments for revenue, net of prior year revenue reversals				(2,723)	
To record audit adjustment for a mortgage receivable recorded as a budgetary expense				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes				269,277	
Reversal of prior year accruals				-	
<b>Change in fund balance - GAAP basis</b>				<b>\$ 239,572</b>	

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit D-3  
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Non Major Special Revenue Funds  
Combining Statement of Revenues and Expenditures  
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2009

		Emergency Medical Services			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>					
	Grants	\$ 132,102	\$ 132,968	\$ 130,606	\$ (2,362)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	<b>Total revenues</b>	<u>132,102</u>	<u>132,968</u>	<u>130,606</u>	<u>\$ (2,362)</u>
	Cash balance carryforward	-	71,624		
	<b>Total</b>	<u>\$ 132,102</u>	<u>\$ 204,592</u>		
<b>Expenditures:</b>					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	132,102	204,592	109,079	95,513
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<u>\$ 132,102</u>	<u>\$ 204,592</u>	<u>109,079</u>	<u>\$ 95,513</u>
<b>Other financing sources (uses):</b>					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Net income (loss) - Budgetary basis</b>				<b>21,527</b>	
<b>Reconciliation to GAAP basis income (loss):</b>					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			14,606	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<u>\$ 36,133</u>	

The accompanying notes are an integral part of this financial 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, 2009

		Farm and Range			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 800	\$ 800	\$ 714	\$ (86)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>800</u>	<u>800</u>	<u>714</u>	<u>\$ (86)</u>
	Cash balance carryforward	-	-		
	Total	<u>\$ 800</u>	<u>\$ 800</u>		
Expenditures:					
	General government services	\$ 800	\$ 800	-	\$ 800
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 800</u>	<u>\$ 800</u>	<u>-</u>	<u>\$ 800</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				714	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	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>\$ 714</u>	

The accompanying notes are an integral part of this financial 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, 2009

		Fire Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>					
	Grants	\$ 1,478,206	\$ 1,446,057	\$ 1,446,057	\$ -
	Taxes and special assessments	1,250,000	1,250,000	1,347,288	97,288
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	1,791	1,791
		2,728,206	2,696,057	2,795,136	\$ 99,079
	<b>Total revenues</b>				
	Cash balance carryforward	1,500,000	3,402,980		
		<u>\$ 4,228,206</u>	<u>\$ 6,099,037</u>		
	<b>Total</b>				
<b>Expenditures:</b>					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	4,228,206	6,095,271	1,661,720	4,433,551
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
		\$ 4,228,206	\$ 6,095,271	1,661,720	\$ 4,433,551
	<b>Total expenditures</b>				
<b>Other financing sources (uses):</b>					
	Operating transfers in	\$ -	\$ -	-	-
	Operating transfers out	-	(3,766)	(3,766)	-
		\$ -	\$ (3,766)	(3,766)	\$ -
	<b>Total other financing sources (uses)</b>				
		<u>\$ -</u>	<u>\$ (3,766)</u>	<u>(3,766)</u>	<u>\$ -</u>
	<b>Net income (loss) - Budgetary basis</b>			1,129,650	
<b>Reconciliation to GAAP basis income (loss):</b>					
	To record audit adjustments for revenue, net of prior year revenue reversals			(343,199)	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			274,886	
	Reversal of prior year accruals			-	
				1,061,337	
	<b>Change in fund balance - GAAP basis</b>			<u>\$ 1,061,337</u>	

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



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

Year Ended June 30, 2009

		Law Enforcement Protection Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 72,600	\$ 72,600	\$ 72,600	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	72,600	72,600	72,600	\$ -
	Cash balance carryforward	-	11,381		
	Total	<u>\$ 72,600</u>	<u>\$ 83,981</u>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	72,600	83,981	82,722	1,259
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 72,600</u>	<u>\$ 83,981</u>	82,722	\$ 1,259
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	-	\$ -
Net income (loss) - Budgetary basis				(10,122)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			74,400	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			30,710	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ 94,988</u>	

The accompanying notes are an integral part of this financial 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, 2009

		Lodger's Tax			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>					
	Grants	\$ -	\$ 4,000	\$ 5,000	\$ 1,000
	Taxes and special assessments	370,750	370,750	379,789	9,039
	Interest earnings	-	-	17,120	17,120
	Charges for services	-	-	-	-
	Other	-	-	-	-
	<b>Total revenues</b>	<u>370,750</u>	<u>374,750</u>	<u>401,909</u>	<u>\$ 27,159</u>
	Cash balance carryforward	20,000	107,893		
	<b>Total</b>	<u>\$ 390,750</u>	<u>\$ 482,643</u>		
<b>Expenditures:</b>					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	390,750	482,643	418,020	64,623
	<b>Total expenditures</b>	<u>\$ 390,750</u>	<u>\$ 482,643</u>	<u>418,020</u>	<u>\$ 64,623</u>
<b>Other financing sources (uses):</b>					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Net income (loss) - Budgetary basis</b>				(16,111)	
<b>Reconciliation to GAAP basis income (loss):</b>					
	To record audit adjustments for revenue, net of prior year revenue reversals			(21,409)	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			63,317	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<u>\$ 25,797</u>	

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

Year Ended June 30, 2009

		Fire Impact Fees			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	98,814	318,240	219,426
	Other	-	-	-	-
	<b>Total revenues</b>	<b>-</b>	<b>98,814</b>	<b>318,240</b>	<b>\$ 219,426</b>
	Cash balance carryforward	550,000	1,018,937		
	<b>Total</b>	<b>\$ 550,000</b>	<b>\$ 1,117,751</b>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	550,000	1,117,751	962,330	155,421
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<b>\$ 550,000</b>	<b>\$ 1,117,751</b>	<b>962,330</b>	<b>\$ 155,421</b>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Net income (loss) - Budgetary basis				(644,090)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			332,800	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<b>\$ (311,290)</b>	

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

Year Ended June 30, 2009

	Clerk Recording			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ -
Taxes and special assessments	-	-	-	-
Interest earnings	-	-	-	-
Charges for services	160,000	160,000	139,793	(20,207)
Other	-	-	-	-
Total revenues	160,000	160,000	139,793	\$ (20,207)
Cash balance carryforward	53,600	107,419		
Total	<u>\$ 213,600</u>	<u>\$ 267,419</u>		
Expenditures:				
General government services	\$ 213,600	\$ 267,419	145,379	\$ 122,040
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Total expenditures	<u>\$ 213,600</u>	<u>\$ 267,419</u>	145,379	\$ 122,040
Other financing sources (uses):				
Operating transfers in	\$ -	\$ -	-	\$ -
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	-	\$ -
Net income (loss) - Budgetary basis			(5,586)	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversals			-	
To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
Audit entry to increase reserve for uncollectible accounts			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			23,366	
Reversal of prior year accruals			-	
Change in fund balance - GAAP basis			<u>\$ 17,780</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, 2009

		Indigent Hospital			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	7,500,000	7,500,000	4,884,472	(2,615,528)
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	<b>Total revenues</b>	<u>7,500,000</u>	<u>7,500,000</u>	<u>4,884,472</u>	<u>\$ (2,615,528)</u>
	Cash balance carryforward	-	-	-	-
	<b>Total</b>	<u>\$ 7,500,000</u>	<u>\$ 7,500,000</u>		
<b>Expenditures:</b>					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	7,342,450	7,342,450	4,842,450	2,500,000
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<u>\$ 7,342,450</u>	<u>\$ 7,342,450</u>	<u>4,842,450</u>	<u>\$ 2,500,000</u>
<b>Other financing sources (uses):</b>					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	(157,550)	(157,550)	(157,550)	-
	<b>Total other financing sources (uses)</b>	<u>\$ (157,550)</u>	<u>\$ (157,550)</u>	<u>(157,550)</u>	<u>\$ -</u>
	<b>Net income (loss) - Budgetary basis</b>			(115,528)	
<b>Reconciliation to GAAP basis income (loss):</b>					
	To record audit adjustments for revenue, net of prior year revenue reversals			(100,181)	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<u>\$ (215,709)</u>	

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

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

Year Ended June 30, 2009

		Economic Development Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	7,500	7,500
	Other	-	-	-	-
	<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>7,500</b>	<b>\$ 7,500</b>
Cash balance carryforward		-	-		
	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	240,426	240,425	1
	<b>Total expenditures</b>	<b>\$ -</b>	<b>\$ 240,426</b>	<b>240,425</b>	<b>\$ 1</b>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 240,426	240,425	\$ (1)
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ 240,426</b>	<b>240,425</b>	<b>\$ (1)</b>
Net income (loss) - Budgetary basis				7,500	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			3,320	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<b>\$ 10,820</b>	

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

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

Year Ended June 30, 2009

		Federal Forfeitures Monies			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	19,813	19,813	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	<b>Total revenues</b>	<b>-</b>	<b>19,813</b>	<b>19,813</b>	<b>\$ -</b>
	Cash balance carryforward	47,655	47,655		
	<b>Total</b>	<b>\$ 47,655</b>	<b>\$ 67,468</b>		
<b>Expenditures:</b>					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	47,655	67,468	15,934	51,534
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<b>\$ 47,655</b>	<b>\$ 67,468</b>	<b>15,934</b>	<b>\$ 51,534</b>
<b>Other financing sources (uses):</b>					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Net income (loss) - Budgetary basis</b>				<b>3,879</b>	
<b>Reconciliation to GAAP basis income (loss):</b>					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			1,998	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<b>\$ 5,877</b>	

The accompanying notes are an integral part of this financial 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, 2009

		Section 8 - Voucher Program			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 2,099,149	\$ 2,099,149	\$ 2,101,692	\$ 2,543
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	7,076	7,076
	Charges for services	-	-	6,498	6,498
	Other	-	-	-	-
	<b>Total revenues</b>	<b>2,099,149</b>	<b>2,099,149</b>	<b>2,115,266</b>	<b>\$ 16,117</b>
	Cash balance carryforward	-	259,733		
	<b>Total</b>	<b>\$ 2,099,149</b>	<b>\$ 2,358,882</b>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	2,099,149	2,358,882	2,027,351	331,531
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<b>\$ 2,099,149</b>	<b>\$ 2,358,882</b>	<b>2,027,351</b>	<b>\$ 331,531</b>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Net income (loss) - Budgetary basis				87,915	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			5,554	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			25,675	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<b>\$ 119,144</b>	



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, 2009

		CFP Program			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 305,460	\$ 1,025,586	\$ 446,830	\$ (578,756)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	8,533	8,533
	<b>Total revenues</b>	<b>305,460</b>	<b>1,025,586</b>	<b>455,363</b>	<b>\$ (570,223)</b>
	Cash balance carryforward	-	35,595		
	<b>Total</b>	<b>\$ 305,460</b>	<b>\$ 1,061,181</b>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	305,460	1,061,181	324,151	737,030
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<b>\$ 305,460</b>	<b>\$ 1,061,181</b>	<b>324,151</b>	<b>\$ 737,030</b>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Net income (loss) - Budgetary basis				131,212	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			(122,934)	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<b>\$ 8,278</b>	

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

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

Year Ended June 30, 2009

		Correctional Gross Receipt Tax			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues:</b>					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	5,000,000	5,000,000	4,863,969	(136,031)
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	<b>Total revenues</b>	<u>5,000,000</u>	<u>5,000,000</u>	<u>4,863,969</u>	<u>\$ (136,031)</u>
	Cash balance carryforward	-	-		
	<b>Total</b>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>		
<b>Expenditures:</b>					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Other financing sources (uses):</b>					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	(5,000,000)	(5,000,000)	(5,000,000)	-
	<b>Total other financing sources (uses)</b>	<u>\$ (5,000,000)</u>	<u>\$ (5,000,000)</u>	<u>(5,000,000)</u>	<u>\$ -</u>
	<b>Net income (loss) - Budgetary basis</b>			(136,031)	
<b>Reconciliation to GAAP basis income (loss):</b>					
	To record audit adjustments for revenue, net of prior year revenue reversals			(97,859)	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			-	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<u>\$ (233,890)</u>	

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

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

Year Ended June 30, 2009

		Wildlife Mountain Trails			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ 55,100	\$ 55,100
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	189,000	189,000
	Total revenues	-	-	244,100	\$ 244,100
	Cash balance carryforward	164,356	164,356		
	Total	<u>\$ 164,356</u>	<u>\$ 164,356</u>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	164,356	164,356	108,674	55,682
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 164,356</u>	<u>\$ 164,356</u>	<u>108,674</u>	<u>\$ 55,682</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				135,426	
Reconciliation to GAAP basis income (loss):					
To record audit adjustments for revenue, net of prior year revenue reversals				(42,658)	
To record audit adjustment for a mortgage receivable recorded as a budgetary expense				-	
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>\$ 92,768</u>	

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

Year Ended June 30, 2009

		EMS - Health Care			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 132,523	\$ 142,523	\$ 138,865	\$ (3,658)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	3,795,004	1,477,472	1,529,858	52,386
	Other	-	5,000	21,185	16,185
	<b>Total revenues</b>	<b>3,927,527</b>	<b>1,624,995</b>	<b>1,689,908</b>	<b>\$ 64,913</b>
Cash balance carryforward		-	746,812		
	<b>Total</b>	<b>\$ 3,927,527</b>	<b>\$ 2,371,807</b>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	5,461,077	2,529,357	2,303,319	226,038
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<b>\$ 5,461,077</b>	<b>\$ 2,529,357</b>	<b>2,303,319</b>	<b>\$ 226,038</b>
Other financing sources (uses):					
	Operating transfers in	\$ 1,533,550	\$ 157,550	157,550	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ 1,533,550</b>	<b>\$ 157,550</b>	<b>157,550</b>	<b>\$ -</b>
Net income (loss) - Budgetary basis				(455,861)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			3,518	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			968,285	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<b>\$ 515,942</b>	

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, 2009

		EMS - Health Hospital			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	5,000,000	5,000,000	4,884,472	(115,528)
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	<b>Total revenues</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>4,884,472</b>	<b>\$ (115,528)</b>
Cash balance carryforward		-	-	-	-
	<b>Total</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	4,842,450	4,842,450	4,842,450	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<b>\$ 4,842,450</b>	<b>\$ 4,842,450</b>	<b>4,842,450</b>	<b>\$ -</b>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	(157,550)	(157,550)	(157,550)	-
	<b>Total other financing sources (uses)</b>	<b>\$ (157,550)</b>	<b>\$ (157,550)</b>	<b>(157,550)</b>	<b>\$ -</b>
Net income (loss) - Budgetary basis				(115,528)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustment for revenue			(100,081)	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes, net of accounts payable			-	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<b>\$ (215,609)</b>	

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

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

Year Ended June 30, 2009

		Fire Operations Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 271,509	\$ 736,340	\$ 1,518,189	\$ 781,849
	Taxes and special assessments	10,000,000	10,000,000	8,682,477	(1,317,523)
	Interest earnings	-	-	-	-
	Charges for services	600,000	600,000	802,351	202,351
	Other	-	172,128	174,524	2,396
	<b>Total revenues</b>	<b>10,871,509</b>	<b>11,508,468</b>	<b>11,177,541</b>	<b>\$ (330,927)</b>
	Cash balance carryforward	-	999,192		
	<b>Total</b>	<b>\$ 10,871,509</b>	<b>\$ 12,507,660</b>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	10,183,509	11,823,426	8,716,865	3,106,561
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<b>\$ 10,183,509</b>	<b>\$ 11,823,426</b>	<b>8,716,865</b>	<b>3,106,561</b>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 3,766	3,766	\$ -
	Operating transfers out	(688,000)	(688,000)	(688,000)	-
	<b>Total other financing sources (uses)</b>	<b>\$ (688,000)</b>	<b>\$ (684,234)</b>	<b>(684,234)</b>	<b>\$ -</b>
Net income (loss) - Budgetary basis				1,776,442	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			126,059	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			288,208	
	Reversal of prior year accruals			11,036	
	<b>Change in fund balance - GAAP basis</b>			<b>\$ 2,201,745</b>	

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

Year Ended June 30, 2009

		Alcohol Programs Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 1,294,019	\$ 1,281,019	\$ 1,231,746	\$ (49,273)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	83,000	83,000	72,668	(10,332)
	Other	-	-	194	194
	Total revenues	1,377,019	1,364,019	1,304,608	\$ (59,411)
	Cash balance carryforward	-	99,498		
	Total	\$ 1,377,019	\$ 1,463,517		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	1,219,019	1,318,517	1,190,984	127,533
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	\$ 1,219,019	\$ 1,318,517	1,190,984	\$ 127,533
Other financing sources (uses):					
	Operating transfers in	\$ 75,000	\$ 75,000	75,000	\$ -
	Operating transfers out	(233,000)	(220,000)	(220,000)	-
	Total other financing sources (uses)	\$ (158,000)	\$ (145,000)	(145,000)	\$ -
Net income (loss) - Budgetary basis				(31,376)	
Reconciliation to GAAP basis income (loss):					
To record audit adjustments for revenue, net of prior year revenue reversals				(153,141)	
To record audit adjustment for a mortgage receivable recorded as a budgetary expense				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes				55,467	
Reversal of prior year accruals				-	
Change in fund balance - GAAP basis				\$ (129,050)	

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, 2009

		Detox Programs Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 300,000	\$ 300,000	\$ 145,764	\$ (154,236)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	1,270,171	1,387,574	1,378,134	(9,440)
	Other	-	-	70	70
	<b>Total revenues</b>	<b>1,570,171</b>	<b>1,687,574</b>	<b>1,523,968</b>	<b>\$ (163,606)</b>
	Cash balance carryforward	-	40,488		
	<b>Total</b>	<b>\$ 1,570,171</b>	<b>\$ 1,728,062</b>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	1,620,171	1,765,062	1,333,551	431,511
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<b>\$ 1,620,171</b>	<b>\$ 1,765,062</b>	<b>1,333,551</b>	<b>\$ 431,511</b>
Other financing sources (uses):					
	Operating transfers in	\$ 50,000	\$ 37,000	37,000	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ 50,000</b>	<b>\$ 37,000</b>	<b>37,000</b>	<b>\$ -</b>
Net income (loss) - Budgetary basis				227,417	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			(269,269)	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			20,550	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<b>\$ (21,302)</b>	

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



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

Year Ended June 30, 2009

		Indigent Services Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ -	\$ -	\$ -
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	1,974,450	1,974,450	1,974,473	23
	Other	-	-	-	-
	<b>Total revenues</b>	<b>1,974,450</b>	<b>1,974,450</b>	<b>1,974,473</b>	<b>\$ 23</b>
Cash balance carryforward		-	310,133		
	<b>Total</b>	<b>\$ 1,974,450</b>	<b>\$ 2,284,583</b>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	2,132,000	2,442,133	2,149,875	292,258
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<b>\$ 2,132,000</b>	<b>\$ 2,442,133</b>	<b>2,149,875</b>	<b>292,258</b>
Other financing sources (uses):					
	Operating transfers in	\$ 157,550	\$ 157,550	157,550	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ 157,550</b>	<b>\$ 157,550</b>	<b>157,550</b>	<b>\$ -</b>
Net income (loss) - Budgetary basis				(17,852)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			-	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	Audit entry to increase reserve for uncollectible accounts			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			393,057	
	Reversal of prior year accruals			-	
	<b>Change in fund balance - GAAP basis</b>			<b>\$ 375,205</b>	

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

Year Ended June 30, 2009

		Linkages			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 77,000	\$ 77,000	\$ 65,858	\$ (11,142)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	77,000	77,000	65,858	\$ (11,142)
Cash balance carryforward		-	-		
	Total	<u>\$ 77,000</u>	<u>\$ 77,000</u>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	-	-	-
	Highways and streets	-	-	-	-
	Health and welfare	77,000	77,000	75,607	1,393
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	Total expenditures	<u>\$ 77,000</u>	<u>\$ 77,000</u>	75,607	\$ 1,393
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	-	\$ -
Net income (loss) - Budgetary basis				(9,749)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversals			12,115	
	To record audit adjustment for a mortgage receivable recorded as a budgetary expense			-	
	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>\$ 2,366</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, 2009

		Emergency Comm Operations			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ -	\$ 187,730	\$ 99,073	\$ (88,657)
	Taxes and special assessments	-	-	-	-
	Interest earnings	-	-	-	-
	Charges for services	-	2,450,614	2,452,631	2,017
	Other	-	-	251,475	251,475
	<b>Total revenues</b>	<b>-</b>	<b>2,638,344</b>	<b>2,803,179</b>	<b>\$ 164,835</b>
Cash balance carryforward		-	110,890		
	<b>Total</b>	<b>\$ -</b>	<b>\$ 2,749,234</b>		
Expenditures:					
	General government services	\$ -	\$ -	-	\$ -
	Public safety	-	4,125,234	3,221,287	903,947
	Highways and streets	-	-	-	-
	Health and welfare	-	-	-	-
	Culture and recreation	-	-	-	-
	Economic development	-	-	-	-
	<b>Total expenditures</b>	<b>\$ -</b>	<b>\$ 4,125,234</b>	<b>3,221,287</b>	<b>\$ 903,947</b>
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ 1,376,000	1,376,000	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ 1,376,000</b>	<b>1,376,000</b>	<b>\$ -</b>
Net income (loss) - Budgetary basis				957,892	
Reconciliation to GAAP basis income (loss):					
To record audit adjustments for revenue, net of prior year revenue reversals				-	
To record audit adjustment for a mortgage receivable recorded as a budgetary expense				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes				16,361	
Reversal of prior year accruals				-	
<b>Change in fund balance - GAAP basis</b>				<b>\$ 974,253</b>	

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit D-3  
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Non Major Special Revenue Funds  
Combining Statement of Revenues and Expenditures  
Budget to Actual (Non-GAAP Basis)

Year Ended June 30, 2009

		Totals			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Grants	\$ 6,205,368	\$ 7,547,772	\$ 7,527,699	\$ (20,073)
	Taxes and special assessments	30,770,750	30,790,563	26,836,978	(3,953,585)
	Interest earnings	-	-	24,196	24,196
	Charges for services	8,091,625	8,440,924	8,957,765	516,841
	Other	-	177,128	646,855	469,727
	<b>Total revenues</b>	<b>45,067,743</b>	<b>46,956,387</b>	<b>43,993,493</b>	<b>\$ (2,962,894)</b>
	Cash balance carryforward	2,793,036	9,100,304		
	<b>Total</b>	<b>\$ 47,860,779</b>	<b>\$ 56,056,691</b>		
Expenditures:					
	General government services	1,377,825	2,058,154	1,504,133	\$ 554,021
	Public safety	15,214,072	23,517,723	14,769,937	8,747,786
	Highways and streets	3,556,481	4,038,264	3,334,998	703,266
	Health and welfare	25,098,776	23,737,032	19,089,738	4,647,294
	Culture and recreation	164,356	164,356	108,674	55,682
	Economic development	390,750	723,069	658,445	64,624
	<b>Total expenditures</b>	<b>\$ 45,802,260</b>	<b>\$ 54,238,598</b>	<b>39,465,925</b>	<b>\$ 14,772,673</b>
Other financing sources (uses):					
	Operating transfers in	4,377,581	4,608,773	4,608,772	\$ (1)
	Operating transfers out	(6,436,100)	(6,426,866)	(6,426,866)	-
	<b>Total other financing sources (uses)</b>	<b>\$ (2,058,519)</b>	<b>\$ (1,818,093)</b>	<b>(1,818,094)</b>	<b>\$ (1)</b>
Net income (loss) - Budgetary basis				2,709,474	
Reconciliation to GAAP basis income (loss):					
To record audit adjustments for revenue, net of prior year revenue reversals				(1,031,808)	
To record audit adjustment for a mortgage receivable recorded as a budgetary expense				-	
Audit entry to increase reserve for uncollectible accounts				-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes				2,985,734	
Reversal of prior year accruals				11,036	
<b>Change in fund balance - GAAP basis</b>				<b>\$ 4,674,436</b>	

The accompanying notes are an integral part of this statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY

NON MAJOR DEBT SERVICE FUNDS

JUNE 30, 2009

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.

*GRT Debt Service Fund.* To account for funds and the interest earned on those funds that have been set aside from the County's Sheriff Facility Bond and the GRT Bond Series 2008 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.

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

*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

Non Major Debt Service Funds  
Combining Balance Sheet

June 30, 2009

ASSETS	Debt Service	Environmental Revenue Bond Fund	NMFA Debt Service Fund	GRT Debt Service Fund	Fire Tax Revenue Bond Debt Service	Jail Debt Service Fund	Rancho Viejo Improvement District	Total
Equity in pooled cash and investments - restricted	\$ 11,325,992	\$ 642,208	\$ 127,213	\$ 851,502	\$ -	\$ 2,252,435	\$ 963,750	\$ 16,163,100
Taxes receivable	1,198,474	149,921	-	-	-	-	6,274	1,354,669
Interest receivable and other	-	-	-	10,109	-	-	-	10,109
Due from other funds	-	-	-	-	5,719	-	-	5,719
Total assets	\$ 12,524,466	\$ 792,129	\$ 127,213	\$ 861,611	\$ 5,719	\$ 2,252,435	\$ 970,024	\$ 17,533,597

LIABILITIES AND FUND BALANCE

Liabilities								
Accounts payable	\$ 450	-	-	-	-	-	-	\$ 450
Deferred revenue	1,111,331	-	-	-	-	-	4,509	1,115,840
Total liabilities	1,111,781	-	-	-	-	-	4,509	1,116,290
Fund Balance								
Reserved for debt service	11,412,685	792,129	127,213	861,611	5,719	2,252,435	965,515	16,417,307
Total liabilities and fund balance	\$ 12,524,466	\$ 792,129	\$ 127,213	\$ 861,611	\$ 5,719	\$ 2,252,435	\$ 970,024	\$ 17,533,597

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

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

Year Ended June 30, 2009

	Debt Service	Environmental Revenue Bond Fund	NMFA Debt Service Fund	GRT Debt Service Fund	Fire Tax Revenue Debt Service	Jail Debt Service Fund	Rancho Viejo Improvement District	Totals
<b>Revenues:</b>								
Property tax	\$ 12,194,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 334,058	\$ 12,528,575
Gross receipts tax	-	887,071	-	-	-	-	-	887,071
Other taxes and assessments	-	-	-	-	-	-	-	-
Interest earnings	-	-	1,123	24,713	-	-	3,343	29,179
Total revenues	<u>12,194,517</u>	<u>887,071</u>	<u>1,123</u>	<u>24,713</u>	<u>-</u>	<u>-</u>	<u>337,401</u>	<u>13,444,825</u>
<b>Expenditures:</b>								
Administrative/issuance costs	1,350	-	727	-	-	3,265	-	5,342
Debt service charges:								
Principal	7,743,998	-	290,733	1,520,000	-	810,000	40,000	10,404,731
Interest	3,871,078	-	8,693	1,310,302	-	1,435,790	126,513	6,752,376
Total expenditures	<u>11,616,426</u>	<u>-</u>	<u>300,153</u>	<u>2,830,302</u>	<u>-</u>	<u>2,249,055</u>	<u>166,513</u>	<u>17,162,449</u>
Excess (deficiency) of revenues over expenditures	<u>578,091</u>	<u>887,071</u>	<u>(299,030)</u>	<u>(2,805,589)</u>	<u>-</u>	<u>(2,249,055)</u>	<u>170,888</u>	<u>(3,717,624)</u>
<b>Other financing sources (uses):</b>								
Operating transfers in	16,000	-	300,192	3,196,707	-	2,251,890	-	5,764,789
Operating transfers out	-	(920,000)	-	-	-	-	-	(920,000)
Total other financing sources (uses)	<u>16,000</u>	<u>(920,000)</u>	<u>300,192</u>	<u>3,196,707</u>	<u>-</u>	<u>2,251,890</u>	<u>-</u>	<u>4,844,789</u>
Net change in fund balance	594,091	(32,929)	1,162	391,118	-	2,835	170,888	1,127,165
Fund balance, beginning of year	10,818,594	825,058	126,051	470,493	5,719	-	794,627	13,040,542
Prior period restatement/reclassification	-	-	-	-	-	2,249,600	-	2,249,600
Fund balance, beginning as restated	<u>10,818,594</u>	<u>825,058</u>	<u>126,051</u>	<u>470,493</u>	<u>5,719</u>	<u>2,249,600</u>	<u>794,627</u>	<u>15,290,142</u>
Fund balance, end of year	<u>\$ 11,412,685</u>	<u>\$ 792,129</u>	<u>\$ 127,213</u>	<u>\$ 861,611</u>	<u>\$ 5,719</u>	<u>\$ 2,252,435</u>	<u>\$ 965,515</u>	<u>\$ 16,417,307</u>

The accompanying notes are an integral part of this financial 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, 2009

Debt Service

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Property taxes and special assessments	\$ 11,616,578	\$ 11,600,577	\$ 12,177,163	\$ 576,586
Gross receipts tax	-	-	-	-
Interest and other	-	-	-	-
Total revenues	11,616,578	11,600,577	12,177,163	\$ 576,586
Cash balance carryforward	-	-		
Total	<u>\$ 11,616,578</u>	<u>\$ 11,600,577</u>		
Expenditures:				
Administrative/Issuance costs	\$ 1,500	\$ 1,500	1,350	\$ 150
Debt service charges:				
Principal	7,743,998	7,743,998	7,743,998	-
Interest	3,871,080	3,871,080	3,871,078	2
Total expenditures	<u>\$ 11,616,578</u>	<u>\$ 11,616,578</u>	11,616,426	\$ 152
Other financing sources (uses):				
Operating transfers in	\$ -	\$ 16,001	16,000	\$ (1)
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 16,001</u>	16,000	\$ (1)
Net income (loss) - Budgetary basis			576,737	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			17,354	
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			<u>\$ 594,091</u>	

The accompanying notes are an integral part of this financial 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, 2009

		Environmental Revenue Bond Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Property taxes and special assessments	\$ 920,000	\$ 920,000	\$ 915,639	\$ (4,361)
	Gross receipts tax	-	-	-	-
	Interest and other	-	-	-	-
	Total revenues	920,000	920,000	915,639	\$ (4,361)
Cash balance carryforward		-	-		
	Total	<u>\$ 920,000</u>	<u>\$ 920,000</u>		
Expenditures:					
	Administrative/Issuance costs	\$ -	\$ -	-	\$ -
	Debt service charges:				
	Principal	-	-	-	-
	Interest	-	-	-	-
	Total expenditures	<u>\$ -</u>	<u>\$ -</u>	-	\$ -
Other financing sources (uses):					
	Operating transfers in	\$ -	\$ -	-	\$ -
	Operating transfers out	(920,000)	(920,000)	(920,000)	-
	Total other financing sources (uses)	<u>\$ (920,000)</u>	<u>\$ (920,000)</u>	(920,000)	\$ -
Net income (loss) - Budgetary basis				(4,361)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			(28,568)	
	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				<u>\$ (32,929)</u>	

The accompanying notes are an integral part of this financial 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, 2009

		NMFA Debt Service Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Gross receipts tax	-	-	-	-
	Interest and other	-	-	1,123	1,123
	<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>1,123</b>	<b>\$ 1,123</b>
Cash balance carryforward		-	-		
	<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>		
Expenditures:					
	Administrative/Issuance costs	\$ 726	\$ 726	727	\$ (1)
	Debt service charges:				
	Principal	290,773	290,773	290,733	40
	Interest	8,693	8,693	8,693	-
	<b>Total expenditures</b>	<b>\$ 300,192</b>	<b>\$ 300,192</b>	<b>300,153</b>	<b>\$ 39</b>
Other financing sources (uses):					
	Operating transfers in	\$ 300,192	\$ 300,192	300,192	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ 300,192</b>	<b>\$ 300,192</b>	<b>300,192</b>	<b>\$ -</b>
Net income (loss) - Budgetary basis				1,162	
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			-	
	<b>Change in fund balance - GAAP basis</b>			<b>\$ 1,162</b>	

The accompanying notes are an integral part of this financial 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, 2009

		GRT Debt Service Fund			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Gross receipts tax	-	-	-	-
	Interest and other	25,000	25,000	24,713	(287)
	<b>Total revenues</b>	<b>25,000</b>	<b>25,000</b>	<b>24,713</b>	<b>\$ (287)</b>
Cash balance carryforward		-	-		
	<b>Total</b>	<b>\$ 25,000</b>	<b>\$ 25,000</b>		
Expenditures:					
	Administrative/Issuance costs	\$ -	\$ -	-	\$ -
	Debt service charges:				
	Principal	155,000	1,911,406	1,520,000	391,406
	Interest	270,175	1,310,301	1,310,302	(1)
	<b>Total expenditures</b>	<b>\$ 425,175</b>	<b>\$ 3,221,707</b>	<b>2,830,302</b>	<b>\$ 391,405</b>
Other financing sources (uses):					
	Operating transfers in	\$ 400,175	\$ 3,196,707	3,196,707	\$ -
	Operating transfers out	-	-	-	-
	<b>Total other financing sources (uses)</b>	<b>\$ 400,175</b>	<b>\$ 3,196,707</b>	<b>3,196,707</b>	<b>\$ -</b>
Net income (loss) - Budgetary basis				391,118	
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			-	
	<b>Change in fund balance - GAAP basis</b>			<b>\$ 391,118</b>	

The accompanying notes are an integral part of this financial 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, 2009

		Jail Debt Service			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Property taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Gross receipts tax	-	-	-	-
	Interest and other	-	-	-	-
	Total revenues	-	-	-	\$ -
Cash balance carryforward		-	-		
	Total	\$ -	\$ -		
Expenditures:					
	Administrative/Issuance costs	\$ 6,100	\$ 6,100	3,265	\$ 2,835
	Debt service charges:				
	Principal	810,000	810,000	810,000	-
	Interest	1,435,790	1,435,790	1,435,790	-
	Total expenditures	\$ 2,251,890	\$ 2,251,890	2,249,055	\$ 2,835
Other financing sources (uses):					
	Operating transfers in	\$ 2,251,890	\$ 2,251,890	2,251,890	\$ -
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ 2,251,890	\$ 2,251,890	2,251,890	\$ -
Net income (loss) - Budgetary basis				2,835	
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			\$ 2,835	

The accompanying notes are an integral part of this financial 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, 2009

	Totals (Memorandum Only)			
	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Property taxes and special assessments	\$ 12,536,578	\$ 12,520,577	\$ 13,092,802	\$ 572,225
Gross receipts tax	-	-	-	-
Interest and other	25,000	25,000	25,836	836
Total revenues	12,561,578	12,545,577	13,118,638	\$ 573,061
Cash balance carryforward	-	-		
Total	<u>\$ 12,561,578</u>	<u>\$ 12,545,577</u>		
Expenditures:				
Administrative/Issuance costs	\$ 8,326	\$ 8,326	5,342	\$ 2,984
Debt service charges:	-	-	-	-
Principal	8,999,771	10,756,177	10,364,731	391,446
Interest	5,585,738	6,625,864	6,625,863	1
Total expenditures	<u>\$ 14,593,835</u>	<u>\$ 17,390,367</u>	16,995,936	\$ 394,431
Other financing sources (uses):				
Operating transfers in	\$ 2,952,257	\$ 5,764,790	5,764,789	\$ (1)
Operating transfers out	(920,000)	(920,000)	(920,000)	-
Total other financing sources (uses)	<u>\$ 2,032,257</u>	<u>\$ 4,844,790</u>	4,844,789	\$ (1)
Net income (loss) - Budgetary basis			967,491	
Reconciliation to GAAP basis income (loss):				
To record audit adjustments for revenue, net of prior year revenue reversal			(11,214)	
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			<u>\$ 956,277</u>	

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

NON MAJOR CAPITAL PROJECT FUNDS

JUNE 30, 2009

*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 Department of Transportation 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.

*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).

*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.

*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 firefighting equipment. Debt retirement of this bond is through payments from the 14 cent Fire Excise Tax on Gross Receipts in the Fire Tax Debt Service Fund.

*2001 General Obligation Bond Proceeds.* The General Obligation Bond Series 2001 was a \$8.5 million bond issue of which \$4.5 million is for the purpose of buying land, construction, remodeling and making additions to County buildings used for public safety purposes and for fire equipment and facilities. \$4.0 million of the bond is for buying land and 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.

STATE OF NEW MEXICO  
SANTA FE COUNTY

NON MAJOR CAPITAL PROJECT FUNDS

JUNE 30, 2009

*General Obligation Bond Series 2007B.* In the fiscal year 2008, voters approved the issuance of a bond in the amount of \$20 million to be used for water and road infrastructure. 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.

*2009 General Obligation Bond Proceeds.* The General Obligation Bond Series 2009 was a \$17 million bond issue for the purpose of improving open spaces; trails and parks; county roads; fire safety facilities; water projects and waste transfer. 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, 2009

	Road Projects	Special Appropriations & other Projects	CDBG	NMFA Loan Proceeds	GO Bond Series 2005	Open Space Bond Proceeds
<b>ASSETS</b>						
Equity in pooled cash and investments - restricted	\$ -	\$ -	\$ -	\$ 62,435	\$ 1,685,263	\$ 1,974,913
Grantor receivables	3,399,252	1,115,988	6,961	-	-	-
Taxes receivable and special assessments	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 3,399,252</b>	<b>\$ 1,115,988</b>	<b>\$ 6,961</b>	<b>\$ 62,435</b>	<b>\$ 1,685,263</b>	<b>\$ 1,974,913</b>

LIABILITIES AND FUND BALANCE

<b>Liabilities:</b>						
Accounts payable	\$ 55,824	\$ 110,985	\$ -	\$ -	\$ 24,903	\$ -
Due to other funds	796,450	577,898	2,121	-	-	-
Deferred revenue	3,199,252	-	-	-	-	-
<b>Total liabilities</b>	<b>4,051,526</b>	<b>688,883</b>	<b>2,121</b>	<b>-</b>	<b>24,903</b>	<b>-</b>
<b>Fund Balance:</b>						
Reserved for encumbrances	408,875	418,489	2,477	-	390,412	-
Designated for capital improvements	-	8,616	2,363	62,435	1,269,948	1,974,913
Unreserved fund balance (deficit)	(1,061,149)	-	-	-	-	-
<b>Total fund balance (deficit)</b>	<b>(652,274)</b>	<b>427,105</b>	<b>4,840</b>	<b>62,435</b>	<b>1,660,360</b>	<b>1,974,913</b>
<b>Total liabilities and fund balance</b>	<b>\$ 3,399,252</b>	<b>\$ 1,115,988</b>	<b>\$ 6,961</b>	<b>\$ 62,435</b>	<b>\$ 1,685,263</b>	<b>\$ 1,974,913</b>

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

(Continued)



STATE OF NEW MEXICO  
SANTA FE COUNTY

Non Major Capital Projects Funds  
Combining Balance Sheet (Continued)

June 30, 2009

	Bond Proceeds Facility	Bond Proceeds Fire Tax	2001 General Obligation Bond Proceeds	2007B General Obligation Bond Proceeds	2009 General Obligation Bond Proceeds	Totals
ASSETS						
Equity in pooled cash and investments - restricted	\$ 551,273	\$ 86,196	\$ 657,757	\$ 580,396	\$ 16,898,644	\$ 22,496,877
Grantor receivables	-	-	-	-	-	4,522,201
Taxes receivable and special assessments	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ 551,273	\$ 86,196	\$ 657,757	\$ 580,396	\$ 16,898,644	\$ 27,019,078

LIABILITIES AND FUND BALANCE

Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ 5,000	\$ 458,411	\$ 655,123
Due to other funds	-	5,719	-	-	-	1,382,188
Deferred revenue	-	-	-	-	-	3,199,252
Total liabilities	-	5,719	-	5,000	458,411	5,236,563
Fund Balance:						
Reserved for encumbrances	621	-	28,379	14,986	1,631,649	2,895,888
Designated for capital improvements	550,652	80,477	629,378	560,410	14,808,584	19,947,776
Unreserved fund balance (deficit)	-	-	-	-	-	(1,061,149)
Total fund balance (deficit)	551,273	80,477	657,757	575,396	16,440,233	21,782,515
Total liabilities and fund balance	\$ 551,273	\$ 86,196	\$ 657,757	\$ 580,396	\$ 16,898,644	\$ 27,019,078

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

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

Year Ended June 30, 2009

	Road Projects	Special Appropriations and Other Projects	CDBG	NMFA Loan Proceeds	GO Bond Series 2005	Open Spaces Bond Proceeds
<b>Revenues:</b>						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	21,279	-	-	-	50,772	49,719
Federal and state grants	797,657	2,822,093	11,878	-	-	-
Other	19,331	-	-	-	-	-
Total revenues	<u>838,267</u>	<u>2,822,093</u>	<u>11,878</u>	<u>-</u>	<u>50,772</u>	<u>49,719</u>
<b>Expenditures: Capital Outlay</b>						
General government	-	2,963,531	-	-	-	-
Culture and recreation	-	-	-	-	-	1,575,173
Public safety	-	-	-	-	-	-
Health and welfare	-	-	11,878	-	-	-
Highway and Streets	3,594,945	-	-	-	3,662,049	-
Total capital outlay expenditures	<u>3,594,945</u>	<u>2,963,531</u>	<u>11,878</u>	<u>-</u>	<u>3,662,049</u>	<u>1,575,173</u>
Excess (deficiency) of revenues over expenditures	<u>(2,756,678)</u>	<u>(141,438)</u>	<u>-</u>	<u>-</u>	<u>(3,611,277)</u>	<u>(1,525,454)</u>
<b>Other financing sources (uses)</b>						
Operating transfers in	785,811	349,162	-	-	969,946	-
Operating transfers out	(306,000)	-	-	-	-	-
Proceeds from bonds	-	-	-	-	-	-
Total other financing sources (uses)	<u>479,811</u>	<u>349,162</u>	<u>-</u>	<u>-</u>	<u>969,946</u>	<u>-</u>
Net change in fund balances	<u>(2,276,867)</u>	<u>207,724</u>	<u>-</u>	<u>-</u>	<u>(2,641,331)</u>	<u>(1,525,454)</u>
Fund balance (deficit), beginning of year	1,624,593	219,381	4,840	62,435	4,301,691	3,500,367
Prior period restatement/reclassification	-	-	-	-	-	-
Fund balance, beginning as restated	<u>1,624,593</u>	<u>219,381</u>	<u>4,840</u>	<u>62,435</u>	<u>4,301,691</u>	<u>3,500,367</u>
Fund balance (deficit), end of year	<u>\$ (652,274)</u>	<u>\$ 427,105</u>	<u>\$ 4,840</u>	<u>\$ 62,435</u>	<u>\$ 1,660,360</u>	<u>\$ 1,974,913</u>

The accompanying notes are integral part of this financial statement

STATE OF NEW MEXICO  
SANTA FE COUNTY

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

Year Ended June 30, 2009

	Bond Proceeds Facility	Bond Proceeds Fire Tax	2001 General Obligations Bond Proceeds	2007B General Obligations Bond Proceeds	2009 General Obligations Bond Proceeds	Totals
<b>Revenues:</b>						
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	8,824	1,379	17,350	34,136	46,641	230,100
Federal and State grants	-	-	-	-	-	3,631,628
Other	-	-	-	-	-	19,331
Total revenues	8,824	1,379	17,350	34,136	46,641	3,881,059
<b>Expenditures: Capital Outlay</b>						
General government	-	-	602,807	-	371,301	3,937,639
Culture and recreation	-	-	-	-	-	1,575,173
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	11,878
Highway and streets	-	-	-	3,092,071	-	10,349,065
Total capital outlay expenditures	-	-	602,807	3,092,071	371,301	15,873,755
Debt issuance costs	-	-	-	-	87,110	87,110
Total expenditures	-	-	602,807	3,092,071	458,411	15,960,865
Excess (deficiency) of revenues over expenditures	8,824	1,379	(585,457)	(3,057,935)	(411,770)	(12,079,806)
<b>Other financing sources (uses)</b>						
Operating transfers in	-	-	-	-	-	2,104,919
Operating transfers out	-	-	(16,000)	-	(399,545)	(721,545)
Proceeds from bonds	-	-	-	-	17,251,548	17,251,548
Total other financing sources (uses)	-	-	(16,000)	-	16,852,003	18,634,922
Net change in fund balances	8,824	1,379	(601,457)	(3,057,935)	16,440,233	6,555,116
Fund balance (deficit), beginning of year	542,449	79,098	1,259,214	3,633,331	-	15,227,399
Prior period restatement/reclassification	-	-	-	-	-	-
Fund balance, beginning as restated	542,449	79,098	1,259,214	3,633,331	-	15,227,399
Fund balance (deficit), end of year	\$ 551,273	\$ 80,477	\$ 657,757	\$ 575,396	\$ 16,440,233	\$ 21,782,515

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit F  
Page 1 of 1

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

Year Ended June 30, 2009

		Road Projects			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	21,279	21,279
	Federal and state grants	2,443,510	2,901,323	2,177,788	(723,535)
	Other	-	10,000	19,331	9,331
	Total revenues	<u>2,443,510</u>	<u>2,911,323</u>	<u>2,218,398</u>	<u>\$ (692,925)</u>
	Cash balance carryforward	-	1,668,234		
	Total	<u>\$ 2,443,510</u>	<u>\$ 4,579,557</u>		
Expenditures:					
	General government	\$ -	\$ -	-	\$ -
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	2,443,510	5,059,368	4,003,820	1,055,548
	Total expenditures	<u>\$ 2,443,510</u>	<u>\$ 5,059,368</u>	<u>4,003,820</u>	<u>\$ 1,055,548</u>
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	-	\$ -
	Operating transfers in	-	785,811	785,811	-
	Operating transfers out	-	(306,000)	(306,000)	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 479,811</u>	<u>479,811</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			(1,305,611)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			(1,380,131)	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			408,875	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ (2,276,867)</u>	

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

(Continued)

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, 2009

		Special Appropriations and Other Projects			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	-	-
	Federal and state grants	11,560,252	13,956,763	2,350,037	(11,606,726)
	Other	-	-	-	-
	Total revenues	11,560,252	13,956,763	2,350,037	\$ (11,606,726)
		-	1,035,489		
	Total	\$ 11,560,252	\$ 14,992,252		
Expenditures:					
	General government	\$ 11,560,252	\$ 15,341,414	3,379,024	\$ 11,962,390
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	\$ 11,560,252	\$ 15,341,414	3,379,024	\$ 11,962,390
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	-	\$ -
	Operating transfers in	-	349,162	349,162	-
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ 349,162	349,162	\$ -
	Net income (loss) - Budgetary basis			(679,825)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			472,060	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			415,489	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 207,724	

The accompanying notes are an integral part of this statement.

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

Year Ended June 30, 2009

		Community Development Block Grant			
		Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	-	-
	Federal and state grants	-	43,739	9,463	(34,276)
	Other	-	-	-	-
	Total revenues	-	43,739	9,463	\$ (34,276)
Cash balance carryforward		-	6,260		
	Total	<u>\$ -</u>	<u>\$ 49,999</u>		
Expenditures:					
	General government	\$ -	\$ -	-	\$ -
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	49,999	14,355	35,644
	Highway and streets	-	-	-	-
	Total expenditures	<u>\$ -</u>	<u>\$ 49,999</u>	14,355	\$ 35,644
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	-	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	-	\$ -
Net income (loss) - Budgetary basis				(4,892)	
Reconciliation to GAAP basis income (loss):					
	To record audit adjustments for revenue, net of prior year revenue reversal			2,415	
	To record audit adjustment for bad debt expense			-	
	Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			2,477	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ -</u>	

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

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

Year Ended June 30, 2009

	GO Bond Series 2005			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	50,772	50,772
Federal and state grants	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	50,772	\$ 50,772
Cash balance carryforward	428,774	3,663,984		
Total	<u>\$ 428,774</u>	<u>\$ 3,663,984</u>		
Expenditures:				
General government	\$ -	\$ -	-	\$ -
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highways and streets	428,774	4,633,930	4,098,639	535,291
Total expenditures	<u>\$ 428,774</u>	<u>\$ 4,633,930</u>	4,098,639	\$ 535,291
Other financing sources (uses):				
Bond proceeds	\$ -	\$ -	-	\$ -
Operating transfers in	-	969,946	969,946	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>\$ -</u>	<u>\$ 969,946</u>	969,946	\$ -
Net income (loss) - Budgetary basis			(3,077,921)	
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			390,412	
Reversal of prior year accruals			46,178	
Change in net assets - GAAP basis			<u>\$ (2,641,331)</u>	

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

Year Ended June 30, 2009

	Open Space Bonds Proceeds			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	49,719	49,719
Federal and state grants	-	-	-	-
Other	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>49,719</b>	<b>\$ 49,719</b>
Cash balance carryforward	3,052,588	3,052,588		
<b>Total</b>	<b>\$ 3,052,588</b>	<b>\$ 3,052,588</b>		
<b>Expenditures:</b>				
General government	\$ -	\$ -	-	\$ -
Culture and recreation	3,052,588	3,052,588	1,575,173	1,477,415
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Highway and streets	-	-	-	-
<b>Total expenditures</b>	<b>\$ 3,052,588</b>	<b>\$ 3,052,588</b>	<b>1,575,173</b>	<b>\$ 1,477,415</b>
<b>Other financing sources (uses):</b>				
Bond proceeds	\$ -	\$ -	-	\$ -
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Net income (loss) - Budgetary basis</b>			<b>(1,525,454)</b>	
<b>Reconciliation to GAAP basis income (loss):</b>				
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			-	
<b>Change in fund balance - GAAP basis</b>			<b>\$ (1,525,454)</b>	



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, 2009

		Bond Proceeds Facility			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	8,824	8,824
	Federal and state grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	-	8,824	\$ 8,824
Cash balance carryforward		313,774	314,395		
	Total	\$ 313,774	\$ 314,395		
Expenditures:					
	General government	\$ 313,774	\$ 314,395	621	\$ 313,774
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	\$ 313,774	\$ 314,395	621	\$ 313,774
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	-	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	-	-	-
	Total other financing sources (uses)	\$ -	\$ -	-	\$ -
Net income (loss) - Budgetary basis				8,203	
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			621	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 8,824	

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

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

Year Ended June 30, 2009

		2001 General Obligation Bond Proceeds			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	16,001	17,350	1,349
	Federal and State grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	16,001	17,350	\$ 1,349
	Cash balance carryforward	1,284,346	1,223,387		
	Total	<u>\$ 1,284,346</u>	<u>\$ 1,239,388</u>		
Expenditures:					
	General government	\$ 1,284,346	\$ 1,223,387	631,186	\$ 592,201
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	<u>\$ 1,284,346</u>	<u>\$ 1,223,387</u>	631,186	\$ 592,201
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	-	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	(16,001)	(16,000)	1
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ (16,001)</u>	(16,000)	\$ 1
	Net income (loss) - Budgetary basis			(629,836)	
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			28,379	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			<u>\$ (601,457)</u>	

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

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

Year Ended June 30, 2009

		<u>2007B General Obligation Bond Proceeds</u>			
		<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
		<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	34,136	34,136
	Federal and state grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>-</u>	<u>-</u>	<u>34,136</u>	<u>\$ 34,136</u>
	Cash balance carryforward	<u>1,131,881</u>	<u>3,131,212</u>		
	Total	<u>\$ 1,131,881</u>	<u>\$ 3,131,212</u>		
Expenditures:					
	General government	\$ -	\$ -	-	\$ -
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	<u>1,331,881</u>	<u>3,131,212</u>	<u>3,107,057</u>	<u>24,155</u>
	Total expenditures	<u>\$ 1,331,881</u>	<u>\$ 3,131,212</u>	<u>3,107,057</u>	<u>\$ 24,155</u>
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ -	-	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
	Net income (loss) - Budgetary basis			(3,072,921)	
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			14,986	
	Reversal of prior year accruals			<u>-</u>	
	Change in fund balance - GAAP basis			<u>\$ (3,057,935)</u>	

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

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

Year Ended June 30, 2009

		2009 General Obligation Bond Proceeds			
		Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:					
	Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
	Interest earnings	-	-	46,641	46,641
	Federal and state grants	-	-	-	-
	Other	-	-	-	-
	Total revenues	-	-	46,641	\$ 46,641
	Cash balance carryforward	-	-		
	Total	\$ -	\$ -		
Expenditures:					
	General government	\$ -	\$ 16,852,003	2,090,059	\$ 14,761,944
	Culture and recreation	-	-	-	-
	Public safety	-	-	-	-
	Health and welfare	-	-	-	-
	Highway and streets	-	-	-	-
	Total expenditures	\$ -	\$ 16,852,003	2,090,059	\$ 14,761,944
Other financing sources (uses):					
	Bond proceeds	\$ -	\$ 17,251,548	17,251,548	\$ -
	Operating transfers in	-	-	-	-
	Operating transfers out	-	(399,545)	(399,545)	-
	Total other financing sources (uses)	\$ -	\$ 16,852,003	16,852,003	\$ -
Net income (loss) - Budgetary basis				14,808,585	
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			1,631,648	
	Reversal of prior year accruals			-	
	Change in fund balance - GAAP basis			\$ 16,440,233	

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

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

Year Ended June 30, 2009

	Totals (Memorandum Only)			Variance- Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	16,001	228,721	212,720
Federal and state grants	14,003,762	16,901,825	4,537,288	(12,364,537)
Other	-	10,000	19,331	9,331
<b>Total revenues</b>	<b>14,003,762</b>	<b>16,927,826</b>	<b>4,785,340</b>	<b>\$(12,142,486)</b>
Cash balance carryforward	6,211,363	14,095,549		
<b>Total</b>	<b>\$ 20,215,125</b>	<b>\$ 31,023,375</b>		
<b>Expenditures:</b>				
General government	\$ 13,158,372	\$ 33,731,199	6,100,890	\$ 27,630,309
Culture and recreation	3,052,588	3,052,588	1,575,173	1,477,415
Public safety	-	-	-	-
Health and welfare	-	49,999	14,355	35,644
Highway and street	4,204,165	12,824,510	11,209,516	1,614,994
<b>Total expenditures</b>	<b>\$ 20,415,125</b>	<b>\$ 49,658,296</b>	<b>18,899,934</b>	<b>\$ 30,758,362</b>
<b>Other financing sources (uses)</b>				
Bond proceeds	\$ -	\$ 17,251,548	17,251,548	\$ -
Operating transfers in	-	2,104,919	2,104,919	-
Operating transfers out	-	(721,546)	(721,545)	(1)
<b>Total other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ 18,634,921</b>	<b>18,634,922</b>	<b>\$ (1)</b>
Net income (loss) - Budgetary basis			4,520,328	
<b>Reconciliation to GAAP basis income (loss):</b>				
To record audit adjustments for revenue, net of prior year revenue reversal			(905,656)	
To record audit adjustment for bad debt expense			-	
Outstanding encumbrances recorded as budgetary expenditures and not for GAAP purposes			2,892,887	
Reversal of prior year accruals			46,178	
<b>Change in fund balance - GAAP basis</b>			<b>\$ 6,553,737</b>	

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

AGENCY FUNDS

JUNE 30, 2009

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.

Sheriffs 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, 2009

	County Treasurer	Sheriff's Bond Fund	Writ Fund	Confiscated Property	Adult Inmate Trust	Juvenile Inmate Trust	Totals
<b>ASSETS</b>							
Equity in pooled cash and investments - restricted	\$ 1,472,612	\$ 278,072	\$ 5,555	\$ 30,365	\$ 284,344	\$ 5,457	\$ 2,076,405
Taxes receivable	8,743,850	-	-	-	-	-	8,743,850
Total assets	\$ 10,216,462	\$ 278,072	\$ 5,555	\$ 30,365	\$ 284,344	\$ 5,457	\$ 10,820,255
<b>LIABILITIES</b>							
Due to other governments	\$ 8,743,850	-	-	-	-	-	\$ 8,743,850
Taxes paid in advance	990,426	-	-	-	-	-	990,426
Deposits held for others	-	278,072	5,555	30,365	284,344	5,457	603,793
Undistributed taxes to other governments	482,186	-	-	-	-	-	482,186
Total liabilities	\$ 10,216,462	\$ 278,072	\$ 5,555	\$ 30,365	\$ 284,344	\$ 5,457	\$ 10,820,255

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Agency Funds  
Combining Statement of Changes in Assets and Liabilities

Year Ended June 30, 2009

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2009</u>
<b>COUNTY TREASURER</b>				
Assets:				
Equity in pooled cash and investments - restricted	\$ 1,631,076	\$ 130,171,158	\$ 130,329,622	\$ 1,472,612
Property taxes receivable	<u>7,200,911</u>	<u>131,714,097</u>	<u>130,171,158</u>	<u>8,743,850</u>
Total assets	<u>\$ 8,831,987</u>	<u>\$ 261,885,255</u>	<u>\$ 260,500,780</u>	<u>\$ 10,216,462</u>
Liabilities:				
Due to other governments	\$ 7,200,911	\$ 131,714,097	\$ 130,171,158	\$ 8,743,850
Overpayments and taxes paid in advance	1,114,160	516,915	640,649	990,426
Due to other funds	-	49,781,520	49,781,520	-
Undistributed taxes to other governments	<u>516,916</u>	<u>80,022,020</u>	<u>80,056,750</u>	<u>482,186</u>
Total liabilities	<u>\$ 8,831,987</u>	<u>\$ 262,034,552</u>	<u>\$ 260,650,077</u>	<u>\$ 10,216,462</u>
<b>SHERIFF'S BOND FUND</b>				
Assets - Equity in pooled cash and investments - restricted	<u>\$ 389,142</u>	<u>\$ 686,832</u>	<u>\$ 797,902</u>	<u>\$ 278,072</u>
Liabilities - Deposits held for others	<u>\$ 389,142</u>	<u>\$ 686,832</u>	<u>\$ 797,902</u>	<u>\$ 278,072</u>
<b>WRIT FUND</b>				
Assets - Equity in pooled cash and investments - restricted	<u>\$ 5,632</u>	<u>\$ 83,993</u>	<u>\$ 84,070</u>	<u>\$ 5,555</u>
Liabilities - Deposits held for others	<u>\$ 5,632</u>	<u>\$ 83,993</u>	<u>\$ 84,070</u>	<u>\$ 5,555</u>

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



STATE OF NEW MEXICO  
SANTA FE COUNTY

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

Year Ended June 30, 2009

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2009</u>
<b>CONFISCATED PROPERTY</b>				
Assets - Equity in pooled cash and investments - restricted	<u>\$ 45,089</u>	<u>\$ 436</u>	<u>\$ 15,160</u>	<u>\$ 30,365</u>
Liabilities - Deposits held for others	<u>\$ 45,089</u>	<u>\$ 436</u>	<u>\$ 15,160</u>	<u>\$ 30,365</u>
<b>ADULT INMATE TRUST</b>				
Assets - Equity in pooled cash and investments - restricted	<u>\$ 289,587</u>	<u>\$ 782,881</u>	<u>\$ 788,124</u>	<u>\$ 284,344</u>
Liabilities - Deposits held for others	<u>\$ 289,587</u>	<u>\$ 782,881</u>	<u>\$ 788,124</u>	<u>\$ 284,344</u>
<b>JUVENILE INMATE TRUST</b>				
Assets - Equity in pooled cash and investments - restricted	<u>\$ 15,889</u>	<u>\$ 9,892</u>	<u>\$ 20,324</u>	<u>\$ 5,457</u>
Liabilities - Deposits held for others	<u>\$ 15,889</u>	<u>\$ 9,892</u>	<u>\$ 20,324</u>	<u>\$ 5,457</u>
<b>TOTALS ALL AGENCY FUNDS</b>				
<b>Assets:</b>				
Equity in pooled cash and investments - restricted	\$ 2,376,415	\$ 131,735,192	\$ 132,035,202	\$ 2,076,405
Property taxes receivable	<u>7,200,911</u>	<u>131,714,097</u>	<u>130,171,158</u>	<u>8,743,850</u>
Total assets	<u>\$ 9,577,326</u>	<u>\$ 263,449,289</u>	<u>\$ 262,206,360</u>	<u>\$ 10,820,255</u>
<b>Liabilities:</b>				
Due to other governments	\$ 7,200,911	\$ 131,714,097	\$ 130,171,158	\$ 8,743,850
Overpayments and taxes paid in advance	1,114,160	516,915	640,649	990,426
Deposits held for others	745,339	1,564,034	1,705,580	603,793
Due to other funds	-	49,781,520	49,781,520	-
Undistributed taxes to other governments	<u>516,916</u>	<u>80,022,020</u>	<u>80,056,750</u>	<u>482,186</u>
Total liabilities	<u>\$ 9,577,326</u>	<u>\$ 263,598,586</u>	<u>\$ 262,355,657</u>	<u>\$ 10,820,255</u>

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

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit H-1

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

Year Ended June 30, 2009

Property taxes receivable, July 1, 2008	\$ 12,216,890
Net taxes charged to Treasurer	136,883,668
Net adjustments and other	(3,899,018)
Collections	<u>(130,171,158)</u>

Property taxes receivable, June 30, 2009	<u>\$ 15,030,382</u>
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Property taxes receivable as of June 30, 2009,  
Property taxes receivable by year:

1999	\$ 77,804
2000	108,820
2001	113,323
2002	143,198
2003	255,285
2004	335,897
2005	570,881
2006	1,193,821
2007	3,087,927
2008	<u>9,143,426</u>

Total taxes receivable, net	<u>\$ 15,030,382</u>
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Distribution of collected property taxes:

Santa Fe County	\$ 49,781,520
State of New Mexico	7,829,250
Edgewood Soil and Water	134,676
City of Santa Fe	5,836,790
City of Española	136,838
Santa Fe Community College	19,512,012
School Districts	45,620,961
El Dorado Water & Sanitation	973,700
Livestock	12,523
Rancho Viejo Improvement District	<u>332,888</u>

Total tax distribution	<u>\$ 130,171,158</u>
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Property taxes receivable distribution:

Santa Fe County	\$ 6,280,258
State of New Mexico	859,266
Edgewood Soil & Water	20,315
City of Santa Fe	527,125
City of Española	24,772
Santa Fe Community College	2,165,509
School Districts	5,092,916
El Dorado Water & Sanitation	44,229
Livestock	9,718
Rancho Viejo Improvement District - Component unit of the County	<u>6,274</u>

Total	<u>\$ 15,030,382</u>
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The accompanying notes are an integral part of this financial statement.

STATE OF NEW MEXICO  
SANTA FE COUNTY TREASURER'S  
PROPERTY TAX SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2009

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
<b>Santa Fe County:</b>									
<b>County Operational</b>									
1999-2007	\$ 225,969,788	\$ 1,811,055	\$ 223,964,828	\$ 1,807,326	\$ 223,961,099	\$ -	\$ -	\$ 3,729	\$ 2,004,960
2008	38,687,619	35,679,589	35,679,590	35,463,460	35,463,461	-	-	216,129	3,008,029
<b>Total County Operational</b>	<b>264,657,407</b>	<b>37,490,644</b>	<b>259,644,418</b>	<b>37,270,786</b>	<b>259,424,560</b>	<b>-</b>	<b>-</b>	<b>219,858</b>	<b>5,012,989</b>
<b>County Debt Service</b>									
1999-2007	48,492,672	511,242	48,039,031	510,069	48,037,858	-	-	1,173	453,641
2008	12,593,261	11,779,634	11,779,633	11,712,013	11,712,012	-	-	67,621	813,628
<b>Total County Debt Service</b>	<b>61,085,933</b>	<b>12,290,876</b>	<b>59,818,664</b>	<b>12,222,082</b>	<b>59,749,870</b>	<b>-</b>	<b>-</b>	<b>68,794</b>	<b>1,267,269</b>
<b>Total Santa Fe County</b>	<b>325,743,340</b>	<b>49,781,520</b>	<b>319,463,082</b>	<b>49,492,868</b>	<b>319,174,430</b>	<b>-</b>	<b>-</b>	<b>288,652</b>	<b>6,280,258</b>
<b>State of New Mexico:</b>									
<b>State Debt</b>									
1999-2007	51,621,128	351,114	51,278,383	347,169	51,274,438	-	-	3,945	342,745
2008	7,994,657	7,478,136	7,478,136	7,435,208	7,435,208	-	-	42,928	516,521
<b>Total State Debt</b>	<b>59,615,785</b>	<b>7,829,250</b>	<b>58,756,519</b>	<b>7,782,377</b>	<b>58,709,646</b>	<b>-</b>	<b>-</b>	<b>46,873</b>	<b>859,266</b>
<b>Livestock Board</b>									
1999-2007	125,283	782	117,583	767	117,568	-	-	15	7,700
2008	13,759	11,741	11,741	11,727	11,727	-	-	14	2,018
<b>Total Livestock Board</b>	<b>139,042</b>	<b>12,523</b>	<b>129,324</b>	<b>12,494</b>	<b>129,295</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>9,718</b>
<b>Total State of New Mexico</b>	<b>59,754,827</b>	<b>7,841,773</b>	<b>58,885,843</b>	<b>7,794,871</b>	<b>58,838,941</b>	<b>-</b>	<b>-</b>	<b>46,902</b>	<b>868,984</b>
<b>Municipalities:</b>									
<b>City of Santa Fe</b>									
1999-2007	18,253,224	177,416	18,097,021	171,367	18,090,972	-	-	6,049	156,203
2008	6,030,296	5,659,374	5,659,374	5,621,971	5,621,971	-	-	37,403	370,922
<b>Total City of Santa Fe</b>	<b>24,283,520</b>	<b>5,836,790</b>	<b>23,756,395</b>	<b>5,793,338</b>	<b>23,712,943</b>	<b>-</b>	<b>-</b>	<b>43,452</b>	<b>527,125</b>
<b>City of Espanola</b>									
1999-2007	923,253	9,898	912,238	9,693	912,033	-	-	205	11,015
2008	140,696	126,940	126,939	125,981	125,980	-	-	959	13,757
<b>Total of City of Espanola</b>	<b>1,063,949</b>	<b>136,838</b>	<b>1,039,177</b>	<b>135,674</b>	<b>1,038,013</b>	<b>-</b>	<b>-</b>	<b>1,164</b>	<b>24,772</b>
<b>Total Municipalities</b>	<b>25,347,469</b>	<b>5,973,628</b>	<b>24,795,572</b>	<b>5,929,012</b>	<b>24,750,956</b>	<b>-</b>	<b>-</b>	<b>44,616</b>	<b>551,897</b>
<b>School Districts:</b>									
<b>Santa Fe Public Schools</b>									
1999-2007	261,087,170	1,783,064	259,413,415	1,769,308	259,399,659	-	-	13,756	1,673,755
2008	41,650,952	38,997,281	38,997,283	38,779,231	38,779,233	-	-	218,050	2,653,669
<b>Total Santa Fe Public Schools</b>	<b>302,738,122</b>	<b>40,780,345</b>	<b>298,410,698</b>	<b>40,548,539</b>	<b>298,178,892</b>	<b>-</b>	<b>-</b>	<b>231,806</b>	<b>4,327,424</b>
<b>Espanola Schools</b>									
1999-2007	5,863,301	59,837	5,765,482	58,217	5,763,862	-	-	1,620	97,819
2008	643,195	563,659	563,659	558,401	558,401	-	-	5,258	79,536
<b>Total Espanola Schools</b>	<b>6,506,496</b>	<b>623,496</b>	<b>6,329,141</b>	<b>616,618</b>	<b>6,322,263</b>	<b>-</b>	<b>-</b>	<b>6,878</b>	<b>177,355</b>
<b>Pojoaque Schools</b>									
1999-2007	12,923,818	110,442	12,775,646	107,723	12,772,927	-	-	2,719	148,172
2008	1,997,797	1,847,785	1,847,785	1,832,137	1,832,137	-	-	15,648	150,012
<b>Total Pojoaque Schools</b>	<b>14,921,615</b>	<b>1,958,227</b>	<b>14,623,431</b>	<b>1,939,860</b>	<b>14,605,064</b>	<b>-</b>	<b>-</b>	<b>18,367</b>	<b>298,184</b>
<b>Moriarty Schools</b>									
1999-2007	13,389,781	132,989	13,250,508	129,307	13,246,826	-	-	3,682	139,273
2008	2,276,585	2,125,904	2,125,905	2,112,227	2,112,228	-	-	13,677	150,680
<b>Total Moriarty Schools</b>	<b>15,666,366</b>	<b>2,258,893</b>	<b>15,376,413</b>	<b>2,241,534</b>	<b>15,359,054</b>	<b>-</b>	<b>-</b>	<b>17,359</b>	<b>289,953</b>

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

STATE OF NEW MEXICO  
SANTA FE COUNTY TREASURER'S  
PROPERTY TAX SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2009

Exhibit H-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									
1999-2007	118,903,371	851,742	118,071,335	848,326	118,067,919	-	-	3,416	832,036
2008	19,993,743	18,660,270	18,660,270	18,554,622	18,554,622	-	-	105,648	1,333,473
Total Santa Fe Community College	<u>138,897,114</u>	<u>19,512,012</u>	<u>136,731,605</u>	<u>19,402,948</u>	<u>136,622,541</u>	<u>-</u>	<u>-</u>	<u>109,064</u>	<u>2,165,509</u>
Total School District	<u>478,729,713</u>	<u>65,132,973</u>	<u>471,471,288</u>	<u>64,749,499</u>	<u>471,087,814</u>	<u>-</u>	<u>-</u>	<u>383,474</u>	<u>7,258,425</u>
Special Districts:									
Edgewood Soil & Water Conservation									
1999-2007	1,078,538	9,916	1,067,835	9,590	1,067,509	-	-	326	10,703
2008	134,372	124,760	124,760	124,075	124,075	-	-	685	9,612
Total Edgewood Soil & Water Conservation	<u>1,212,910</u>	<u>134,676</u>	<u>1,192,595</u>	<u>133,665</u>	<u>1,191,584</u>	<u>-</u>	<u>-</u>	<u>1,011</u>	<u>20,315</u>
Eldorado Water & Sanitation									
1999-2007	4,233,415	24,883	4,225,016	23,878	4,224,011	-	-	1,005	8,399
2008	984,647	948,817	948,817	943,639	943,639	-	-	5,178	35,830
Total Eldorado Water & Sanitation	<u>5,218,062</u>	<u>973,700</u>	<u>5,173,833</u>	<u>967,517</u>	<u>5,167,650</u>	<u>-</u>	<u>-</u>	<u>6,183</u>	<u>44,229</u>
Rancho Viejo									
1999-2007	1,809,250	4,187	1,808,715	3,514	1,808,042	-	-	673	535
2008	334,440	328,701	328,701	328,028	328,028	-	-	673	5,739
Total Rancho Viejo	<u>2,143,690</u>	<u>332,888</u>	<u>2,137,416</u>	<u>331,542</u>	<u>2,136,070</u>	<u>-</u>	<u>-</u>	<u>1,346</u>	<u>6,274</u>
Total Special Districts	<u>8,574,662</u>	<u>1,441,264</u>	<u>8,503,844</u>	<u>1,432,724</u>	<u>8,495,304</u>	<u>-</u>	<u>-</u>	<u>8,540</u>	<u>70,818</u>
Grand Total	<u>\$ 898,150,011</u>	<u>\$ 130,171,158</u>	<u>\$ 883,119,629</u>	<u>\$ 129,398,974</u>	<u>\$ 882,347,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 772,184</u>	<u>\$ 15,030,382</u>

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

Schedule of Bank Accounts

June 30, 2009

	<u>Total Deposits with Bank</u>	<u>Reconciling Items</u>	<u>Reconciled Balance</u>
Advanta Bank - Certificate of deposit	\$ 99,000	\$ -	\$ 99,000
Alliance Bank - Certificate of deposit	\$ 240,000	\$ -	\$ 240,000
AmcoreBank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Bank of Fayetteville - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Branch Banking & Trust - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Capital One Bank - Certificate of deposit	\$ 96,000	\$ -	\$ 96,000
Capital One Assn - Certificate of deposit	\$ 94,000	\$ -	\$ 94,000
Choice Financial - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Citi Bank Salt Lake - Certificate of deposit	\$ 96,000	\$ -	\$ 96,000
Colonial Bank - Certificate of deposit	\$ 94,000	\$ -	\$ 94,000
Comerica Bank - Certificate of deposit	\$ 94,000	\$ -	\$ 94,000
Commercial Bank - Certificate of deposit	\$ 240,000	\$ -	\$ 240,000
Community Bank of Las Vegas - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Community Bank of Santa Fe - Certificate of deposit	\$ 250,000	\$ -	\$ 250,000
Delta Bank - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Farmers & Merchants Bank - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
First Bank - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Goldman Sachs Bank - Certificate of deposit	\$ 240,000	\$ -	\$ 240,000
Guadalupe Credit Union - Certificate of deposit	\$ 250,000	\$ -	\$ 250,000
Home Fed Savings Bank - Certificate of deposit	\$ 96,000	\$ -	\$ 96,000

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

Schedule of Bank Accounts

June 30, 2009

	<u>Total Deposits with Bank</u>	<u>Reconciling Items</u>	<u>Reconciled Balance</u>
Investors Community Bank	\$ 100,000	\$ -	\$ 100,000
Ironstone Bank - Certificate of deposit	\$ 250,000	\$ -	\$ 250,000
Los Alamos National Bank - Certificate of deposit	\$ 114,449,558	\$ -	\$ 114,449,558
M & I bank Las Vegas - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
M & I Bank Milwaukee - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Marq Bank - Certificate of deposit	\$ 99,000	\$ -	\$ 99,000
NCB Savings Bank - Certificate of deposit	\$ 96,000	\$ -	\$ 96,000
Riverside NB - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
Royal Bank America - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Southern Community Bank - Certificate of deposit	\$ 100,000	\$ -	\$ 100,000
Wachovia Bank - Certificate of deposit	\$ 97,000	\$ -	\$ 97,000
First National Bank:			
Escrow account	\$ 24,006	\$ -	\$ 24,006
Certificate of deposit	5,000,000	-	5,000,000
	<u>\$ 5,024,006</u>	<u>\$ -</u>	<u>\$ 5,024,006</u>
First Community Bank:			
Escrow account	\$ 134,571	\$ -	\$ 134,571
Money market	31,063,558	(2,127,720)	28,935,838
Certificates of deposit	20,000,000	-	20,000,000
Writ Fund	7,162	(1,607)	5,555
Bail Bond accounts	325,614	(47,542)	278,072
Forfeiture account	30,365	-	30,365
Inmate Trust	310,075	(25,922)	284,153
Juvenile Trust	7,027	(1,736)	5,291
	<u>\$ 51,878,372</u>	<u>\$ (2,204,527)</u>	<u>\$ 49,673,845</u>

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Schedule of Pledge Collateral (Continued)

June 30 2009

	First National Bank	First Community Bank	Los Alamos National Bank	Advanta Bank	Alliance Bank	Amcore United	Bank of Fayetteville	Branch Banking & Trust	Capital One Bank	Capital One Assn
Total amount of deposits (bank balances)	\$ 5,024,006	\$ 51,878,372	\$ 114,449,558	\$ 99,000	\$ 240,000	\$ 97,000	\$ 100,000	\$ 97,000	\$ 96,000	\$ 94,000
Less FDIC or NCUSIF coverage	250,000	13,452,735	250,000	99,000	240,000	97,000	100,000	97,000	96,000	94,000
	4,774,006	38,425,637	114,199,558	N/A	N/A	N/A	N/A	N/A	N/A	N/A
*100% collateral requirement	4,774,006	38,425,637	114,199,558	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pledged securities (see below)	5,703,905	47,284,315	124,719,611	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Under secured										
Pledged securities in the County's name held by the Federal Reserve										
Other Letter of Credit										
(1) Teos NM MUNI, 3.85%, matures September 1, 2019		35,400,000	96,200,000	-	-	-	-	-	-	-
CUSIP 876014FE6		565,000	-	-	-	-	-	-	-	-
(2) FNMA, 5.50%, matures November 1, 2019		3,080,639	-	-	-	-	-	-	-	-
CUSIP 31405C4B7		150,000	-	-	-	-	-	-	-	-
(3) Castle Rock Colo Met Dist #7, 4.00%, matures December 31, 2009, CUSIP 148489BYZ		4,779,082	-	-	-	-	-	-	-	-
(4) FNMA, 5.18%, matures December 1, 2012		411,079	-	-	-	-	-	-	-	-
CUSIP 31413VXF9		2,898,515	-	-	-	-	-	-	-	-
(5) FNMA, 4.00%, matures July 1, 2018		-	-	-	-	-	-	-	-	-
CUSIP 31385XGP6		-	-	-	-	-	-	-	-	-
(6) FNR, 6.50%, matures December 25, 2033		-	-	-	-	-	-	-	-	-
CUSIP 31394VJD0		-	-	-	-	-	-	-	-	-
(7) FHLB, 4.85%, matures February 4, 2011		-	5,289,674	-	-	-	-	-	-	-
CUSIP 3133XEMR7		-	5,131,926	-	-	-	-	-	-	-
(8) FHLB, 2.88%, matures March 11, 2011		-	10,326,487	-	-	-	-	-	-	-
CUSIP 3133XPNY6		-	7,771,524	-	-	-	-	-	-	-
(9) FHLB, 3.25%, matures March 11, 2011		-	-	-	-	-	-	-	-	-
CUSIP 3133XPWH0		-	-	-	-	-	-	-	-	-
(10) FHLB, 4.75%, matures December 9, 2011		-	-	-	-	-	-	-	-	-
CUSIP 3133XHRK0		-	-	-	-	-	-	-	-	-
(11) FMNT, 5.4%, matures February 2, 2012		5,000,000	-	-	-	-	-	-	-	-
CUSIP 3128XZC5		82,144	-	-	-	-	-	-	-	-
(12) FNMA, 5.5%, matures July 1, 2031		621,761	-	-	-	-	-	-	-	-
CUSIP 31387CSK8		-	-	-	-	-	-	-	-	-
(13) Alamogordo NM MUNI, 4.90%, matures August 1, 2009		-	-	-	-	-	-	-	-	-
CUSIP 011446EL1		-	-	-	-	-	-	-	-	-
	\$ 5,703,905	\$ 47,284,315	\$ 124,719,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*County policy requires a 100% collateral requirement although State only requires 50% collateral requirement. The County is in compliance with its own policy and State requirement.





Schedule of Pledged Collateral (Continued)

June 30, 2009

	Goldman Sachs Bank	Guadalupe Credit Union	Home Fed Savings Bank	Investors Community	Ironstone Bank	M & I Bank Las Vegas	M & I Bank Milwaukee	Marq Bank	NCB Savings Bank	Riverside NB Bank
Total amount of deposits (bank balances)	\$ 240,000	\$ 250,000	\$ 96,000	\$ 100,000	\$ 250,000	\$ 100,000	\$ 100,000	\$ 99,000	\$ 96,000	\$ 97,000
Less FDIC or NCUSIF coverage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
*100% collateral requirement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pledged securities (see below)	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 Other Letter of Credit	-	-	-	-	-	-	-	-	-	-
(1) Tosa NM MUNI, 3.85%, matures September 1, 2019 CUSIP 876014FE6	-	-	-	-	-	-	-	-	-	-
(2) FNMA, 5.50%, matures November 1, 2019 CUSIP 31405C4B7	-	-	-	-	-	-	-	-	-	-
(3) Castle Rock Colo Met Dist #7, 4.00% matures December 31, 2009, CUSIP 148489BYZ	-	-	-	-	-	-	-	-	-	-
(4) FNMA, 5.1.8%, matures December 1, 2012 CUSIP 31413VXF9	-	-	-	-	-	-	-	-	-	-
(5) FNMA, 4.00%, matures July 1, 2018 CUSIP 31385XGP6	-	-	-	-	-	-	-	-	-	-
(6) FNR, 6.50%, matures December 25, 2033 CUSIP 31394V3D0	-	-	-	-	-	-	-	-	-	-
(7) FHLLB, 4.85%, matures February 4, 2011 CUSIP 3133XEMR7	-	-	-	-	-	-	-	-	-	-
(8) FHLLB, 2.88%, matures March 11, 2011 CUSIP 3133XPNT6	-	-	-	-	-	-	-	-	-	-
(9) FHLLB, 3.25%, matures March 11, 2011 CUSIP 3133XPWW0	-	-	-	-	-	-	-	-	-	-
(10) FHLLB, 4.75%, matures December 9, 2011 CUSIP 3133XHRK0	-	-	-	-	-	-	-	-	-	-
(11) FMNT, 5.4%, matures February 2, 2012 CUSIP 3128XZCS	-	-	-	-	-	-	-	-	-	-
(12) FNMA, 5.5%, matures July 1, 2031 CUSIP 31387CSK8	-	-	-	-	-	-	-	-	-	-
(13) Alamoigordo NM MUNI, 4.90%, matures August 1, 2009 CUSIP 011446EL1	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*County policy requires a 100% collateral requirement although State only requires 50% collateral requirement. The County is in compliance with its own policy and State requirement.

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



STATE OF NEW MEXICO  
SANTA FE COUNTY

Financial Data Schedule

June 30, 2009

FDS Line Item No.	ASSETS	Low Rent Public Housing	Section 8 Vouchers	CFP Program	Home Sales	Total
111.0	Current Assets:					
114.0	Cash	\$ 1,096,274	\$ 802,629	\$ -	\$ 4,861,697	\$ 6,760,600
	Cash - Tenant Security Deposits	84,284	110,131	-	-	194,415
	Accounts Receivable:					
121.0	PHA Projects	-	-	147,896	-	147,896
122.0	HUD Other Projects	-	-	-	-	-
125.0	Miscellaneous	-	24,997	-	-	24,997
126.0	Tenants - Dwelling Rents	206,160	-	-	-	206,160
	Allowance for Doubtful Accounts:					
126.1	Dwelling Rents	(152,570)	-	-	-	(152,570)
126.2	Other	-	-	-	-	-
144.0	Interprogram Due From	-	-	-	-	-
145.0	Assets held for sale	-	-	-	-	-
150.0	Total current assets	1,234,148	937,757	147,896	4,861,697	7,181,498
	Property and Equipment:					
161.0	Land	699,515	-	-	-	699,515
162.0	Buildings	6,595,491	-	-	-	6,595,491
163.0	Furniture, Equipment & Machinery	453,257	-	-	-	453,257
166.0	Less Accumulated Depreciation	(3,948,378)	-	-	-	(3,948,378)
160.0	Total property and equipment	3,799,885	-	-	-	3,799,885
	Mortgage receivable	-	-	-	131,647	131,647
190.0	TOTAL ASSETS	\$ 5,034,033	\$ 937,757	\$ 147,896	\$ 4,993,344	\$ 11,113,030

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Financial Data Schedule (Continued)

June 30, 2009

FDS Line Item No.	LIABILITIES AND FUND EQUITY	Low Rent Public Housing	Section 8 Vouchers	CFP Program	Home Sales	Total
	Liabilities:					
	Current Liabilities:					
312.0	Accounts Payable <=90 Days	\$ 8,260	\$ 5,510	\$ 51,233	\$ -	\$ 65,003
321.0	Accrued Wage/Payroll Taxes Payable	16,153	-	-	-	16,153
341.0	Tenant Security Deposits	84,284	110,131	-	-	194,415
342.0	Deferred Revenue	-	-	-	131,647	131,647
343.0	Current Portion of Long-Term Debt	137,029	-	-	-	137,029
345.0	Other Current Liabilities	-	-	-	-	-
346.0	Accrued Liabilities - Other	-	-	77,353	-	77,353
347.0	Interprogram Due To	-	-	-	-	-
310.0	Total current liabilities	245,726	115,641	128,586	131,647	621,600
351.0	Long-Term Debt, Net of Current	10,775,943	-	-	-	10,775,943
350.0	Total Noncurrent Liabilities	10,775,943	-	-	-	10,775,943
300.0	Total liabilities	11,021,669	115,641	128,586	131,647	11,397,543
	Fund Equity:					
508.1	Invested in Capital Asset, Net of Related Debt	(7,113,087)	-	-	-	(7,113,087)
509.1	Reserved for Encumbrances	-	25,675	-	-	25,675
510.0	Reserved for Capital	-	-	-	-	-
512.1	Unrestricted Net Assets	1,125,451	796,441	19,310	4,861,697	6,802,899
513.0	Total fund equity	(5,987,636)	822,116	19,310	4,861,697	(284,513)
600.0	TOTAL LIABILITIES AND FUND EQUITY	\$ 5,034,033	\$ 937,757	\$ 147,896	\$ 4,993,344	\$ 11,113,030

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Exhibit J-1  
Page 3 of 4

Financial Data Schedule (Continued)

June 30, 2009

FDS Line Item No.		Low Rent Public Housing	Section 8 Vouchers	CFP Program	Home Sales	Total
Operating Revenues:						
703.0	Net Tenant Rental Revenue	\$ 361,093	\$ -	\$ -	\$ -	\$ 361,093
706.0	HUD PHA Grants	430,748	2,101,692	323,896	-	2,856,336
706.1	Capital Grants	-	-	-	-	-
	Sale of homes	-	-	-	5,740	5,740
711.0	Investment Income - Unrestricted	20,853	7,076	-	-	27,929
715.0	Other Revenue	203,438	12,052	8,534	-	224,024
716.0	Gain/Loss on Sale of Fixed Assets	-	-	-	-	-
720.0	Investment Income - Restricted	-	-	-	-	-
700.0	Total operating revenues	<u>1,016,132</u>	<u>2,120,820</u>	<u>332,430</u>	<u>5,740</u>	<u>3,475,122</u>
Operating expenses:						
911.0	Administrative Salaries	466,501	117,299	35,547	-	619,347
912.0	Auditing Fees	14,000	5,500	-	-	19,500
915.0	Employee Benefit Contributions - Administrative	170,771	40,404	10,680	-	221,855
916.0	Other Operating - Administrative	18,604	6,000	-	-	24,604
921.0	Tenant Services - Salaries	-	-	-	-	-
923.0	Employee Benefit Contributions - Tenant Services	-	-	-	-	-
924.0	Tenant Services - Other	-	-	-	-	-
931.0	Water	69,230	3,000	-	-	72,230
932.0	Electricity	14,222	5,000	-	-	19,222
933.0	Gas	5,083	5,000	-	-	10,083
938.0	Other Utilities Expense	93,630	3,500	-	-	97,130
Ordinary Maintenance and Operations:						
941.0	Labor	-	-	-	-	-
942.0	Materials and Other	65,413	-	-	-	65,413
943.0	Contract Costs	2,817	-	-	-	2,817
945.0	Employee Benefit Contributions	-	-	-	-	-
952.0	Protective Services - Other Contract Costs	-	-	-	-	-
General Expenses:						
961.0	Insurance Premiums	-	-	-	-	-
962.0	Other General Expenses	46,133	13,482	277,925	54,342	391,882
964.0	Bad Debt - Tenant Rents	-	-	-	-	-
966.0	Bad Debt - Other	-	-	-	-	-
967.0	Interest expense	328,846	-	-	-	328,846
969.0	Total operating expenses	<u>1,295,250</u>	<u>199,185</u>	<u>324,152</u>	<u>54,342</u>	<u>1,872,929</u>
970.0	Excess operating revenues over operating expenses	<u>(279,118)</u>	<u>1,921,635</u>	<u>8,278</u>	<u>(48,602)</u>	<u>1,602,193</u>
Non Operating Expenses:						
973.0	Housing Assistance Payments	-	1,802,491	-	-	1,802,491
974.0	Depreciation Expense	73,934	-	-	-	73,934
	Total non operating expenses	<u>73,934</u>	<u>1,802,491</u>	<u>-</u>	<u>-</u>	<u>1,876,425</u>
900.0	Total Expenses	<u>1,369,184</u>	<u>2,001,676</u>	<u>324,152</u>	<u>54,342</u>	<u>3,749,354</u>
1001.0	Other financing sources - transfer in	-	-	-	-	-
1002.0	Other financing use - transfer out	-	-	-	-	-
1008.0	Special items - capital contributions, net	612,033	-	-	(586,145)	25,888
1000.0	Excess (Deficiency) of Operating Revenues over (under) Expenses	<u>\$ 258,981</u>	<u>\$ 119,144</u>	<u>\$ 8,278</u>	<u>\$ (634,747)</u>	<u>\$ (248,344)</u>

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

(Continued)

STATE OF NEW MEXICO  
SANTA FE COUNTY

Financial Data Schedule (Continued)

June 30, 2009

FDS Line Item No.	Low Rent Public Housing	Section 8 Vouchers	CFP Program	Home Sales	Total
Memo Account Information					
1103.0 Beginning Equity	\$ (5,633,937)	\$ 702,972	\$ 11,032	\$ 4,883,764	\$ (36,169)
1104.0 Restatement	(612,680)	-	-	612,680	-
Beginning Equity, restated	(6,246,617)	702,972	11,032	5,496,444	(36,169)
1120.0 Unit Months Available	2,322	2,892	-	-	5,214
1121.0 Number of Unit Months Leased	2,178	3,032	-	-	3,032

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

**STATE OF NEW MEXICO  
SANTA FE COUNTY**

Exhibit K-1

Supplemental Schedule of Expenditures of Federal Awards

Year Ended June 30, 2009

Federal Grantor/Program Title	Federal CFDA Number	Balance	Receipts	Expenditures	Balance	
<b>Direct Assistance</b>						
<b>U.S. Department of Housing and Urban Development</b>						
CFP *	14.872	\$ 270,320	\$ 446,830	\$ 324,149	\$ 147,639	
Section 8 Voucher *	14.871	(469,545)	2,101,692	2,001,677	(569,560)	
Low rent subsidy *	14.850	-	430,748	430,748	-	
<b>Total U.S. Department of Housing and Urban Development</b>		<u>(199,225)</u>	<u>2,979,270</u>	<u>2,756,574</u>	<u>(421,921)</u>	
<b>U.S. Department of Justice:</b>						
Home for Good - JAG	16.unknown	(175)	-	-	(175)	
Bureau of Justice Assistance-(SCAAP)	16.606	-	39,534	39,534	-	
<b>Total U.S. Department of Justice</b>		<u>(175)</u>	<u>39,534</u>	<u>39,534</u>	<u>(175)</u>	
<b>Office of National Drug Control Policy:</b>						
High Intensity Drug Trafficking Area (HIDTA)	16.unknown	220,683	284,047	257,940	194,576	
<b>U.S. Department of Education - Life Skills</b>						
	84.255A	55,685	-	-	55,685	
<b>U.S. Bureau of Reclamation/Department of Interior</b>						
Fish and Wildlife Coordination	15.517	-	28,328	45,634	17,306	
<b>U.S. Environmental Protection Agency - Water Quality Protection</b>						
	66.unknown	-	-	-	-	
<b>U.S. Department of Interior - Payment in lieu of taxes*</b>						
	15.226	-	1,383,765	682,599	(701,166)	
<b>U.S. Department of Agriculture - Forest Service</b>						
	10.unknown	(13,360)	97,716	111,076	-	
Total Direct Assistance		<u>63,608</u>	<u>4,812,660</u>	<u>3,893,357</u>	<u>(855,695)</u>	
<b>Pass Through Entity Identifying Number</b>						
<b>Pass through</b>						
Department of Transportation - Traffic Safety pass through from New Mexico Department of Transportation	04-CD-31-081	20.600	-	65,100	65,100	-
U.S. Forest Service pass through from Department of Finance and Administration (DFA)	10.unknown		-	69,605	69,605	-
U.S. Forest Service - Grazing payment pass through from DFA	10.unknown		(6,464)	714	-	(7,178)
Department of Interior Bureau of Land Management pass through from NM Association of Counties	15.227		-	22,862	42,027	19,165
U.S. Forest Service - Forest Restoration pass through from DFA	10.unknown		-	24,567	24,567	-
U.S. Forest Service: HAZMAT	10.unknown		1,205	15,000	6,607	(7,188)
Department of Transportation pass through Energy, Minerals & Natural Resources: National Recreational Trails	20.unknown		42,659	55,100	-	(12,441)
<b>U.S. Department of Justice:</b>						
Region III grant pass through from New Mexico Department of Public Safety	04-DCSI	16.579	7,266	125,261	148,987	30,992
U.S. Department of Justice: pass through from N.M. Department of Public Safety	16.738		-	9,242	9,242	-
Rural Law Enforcement pass through from New Mexico Department of Public Safety	07-116	16.579	-	-	-	-
U.S. Department of Homeland Security pass through from N.M. Department of Public Safety *	2005 GE-TS-0012	97.004	329,908	901,363	742,474	171,019
U.S. Department of Homeland Security pass through from N.M. Department of Public Safety	2007-EM-E7-0035	97.042	-	-	-	-
U.S. Department of Finance & Administration pass through from DFA	99-C-NR-I-3-G-12	14.218	-	9,463	9,463	-
U.S. Department of Education pass through from N.M. Department of Education Student Nutrition	10.555		36,566	80,322	143,736	99,980
Total pass through assistance		<u>411,140</u>	<u>1,378,599</u>	<u>1,261,808</u>	<u>294,349</u>	
Total assistance to County		<u>\$ 474,748</u>	<u>\$ 6,191,259</u>	<u>\$ 5,155,165</u>	<u>\$ (561,346)</u>	
<b>Housing Services - Notes Payable to HUD:</b>						
Loan Balance at July 1, 2008		\$ 4,827,432				
Forgiven principal in current period		(129,020)				
Loan Balance at June 30, 2009		<u>\$ 4,698,412</u>				

\*Major federal financial assistance program

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

STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Supplemental Schedule of Expenditures of Federal Awards (Continued)

JUNE 30, 2009

**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 only non-cash federal assistance received is the forgiveness of the HUD debt of \$129,020 and interest of \$72,697 recorded in the Housing Services Enterprise Fund.



STATE OF NEW MEXICO  
SANTA FE COUNTY

Notes to Supplemental Schedule of Expenditures of Federal Awards (Continued)

JUNE 30, 2009

**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 - Special Revenue Fund	14.871	\$ 2,001,677
CFP Program - Special Revenue Fund	14.872	324,149
Low rent subsidy accounted for in Housing Services Enterprise Fund	14.850	430,748
U.S. Department of Transportation:		
Traffic Safety accounted for in the General Fund	20.600	65,100
U.S. Department of Agriculture - Forest Service: Forest Restoration accounted for in the Fire Operations Fund	10.unknown	111,076
U.S. Department of Homeland Security pass through from Department of Public Safety accounted in EMS Health Care Fund	97.004	742,474
Department of Interior Bureau of Land Management pass through from NM Association of Counties - Fire Operations Fund	15.227	42,027
U.S. Forest Service pass through accounted for in the Fire Operations Fund	10.unknown	24,567
U.S. Forest Service pass through accounted for in the Road Maintenance Fund	10.unknown	69,605
Department of Interior pass through accounted for in the General Fund	15.226	682,599
U.S. Forest Service: Hazmat accounted for in the General Fund	10.unknown	6,607
U.S. Department of Justice:		
Region III accounted for in the General Fund	16.579	148,987
Bureau of Justice Assistance - (SCAAP) - Jail Facility Fund	16.606	39,534
Office of National Drug Control Policy:		
HIDTA accounted for in the General Fund	16.unknown	257,940
U.S. Department of Education - Student Nutrition accounted for in the Jail Facility Fund	10.555	143,736
U.S. Bureau of Reclamation/Department of Interior Fish and Wildlife Coordination accounted for in the General Fund	15.517	45,634
U.S. Department of Justice pass through accounted for in the General Fund	16.738	9,242
U.S. Department of Education pass through accounted for in the Capital Improvement Fund	14.218	9,463
Total federal revenue		<u>\$ 5,155,165</u>

**Subrecipient**

In 2009, the County passed through \$249,525 of federal funds from the U. S. Department of Homeland Security, CFDA #97.004, to the City of Santa Fe.



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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, 2009. 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, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which is required to be reported in accordance with OMB Circular A-133 and is described in the accompanying schedule of findings and questioned costs as finding 09-01.

### 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.

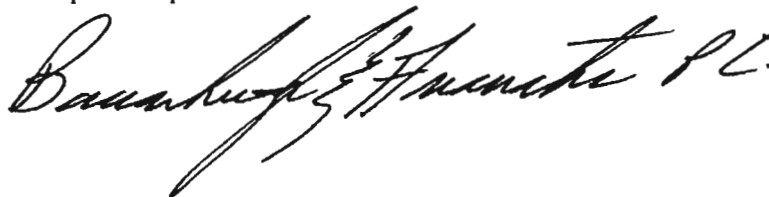
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal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

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. 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, County's management, State of New Mexico Office of the State Auditor, New Mexico Department of Finance and Administration, New Mexico Legislature, 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, 2009

STATE OF NEW MEXICO  
SANTA FE COUNTY

Schedule of Findings and Questions Costs

Year Ended June 30, 2009

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 was one audit finding 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	14.872
• Section 8 Voucher	14.871
• Low Rent Subsidy	14.850
• Emergency Preparedness	97.004
• Payment in lieu	15.226

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 Questions Costs (Continued)

Year Ended June 30, 2009

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

See finding 09-01 in the accompanying memorandum of Accounting Procedures and Internal Controls.

D. FOLLOW UP ON PRIOR YEAR SINGLE AUDIT FINDINGS

None



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REPORT ON EXTERNAL 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, 2009, and have issued our report thereon dated November 9, 2009. 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, 2009, 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.

(Continued)

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 instances of noncompliance that is required to be reported under *Government Auditing Standards* as findings 07-01 and 09-01. We noted certain matters that are required to be reported under *Government Auditing Standards*, paragraphs 5.14 and 5.16 and section 12-6-5 NMSA 1978 which are described in the accompanying Memorandum on Accounting Procedures and Internal Controls as finding 07-02.

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, New Mexico Legislature, 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, 2009

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls

June 30, 2009

**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:

- 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 and various grant billings at June 30, 2009.
  - The Jail Facility accounts receivable information has significant past due accounts, the balance of which has increases approximately \$800,000 from the prior year.
  - The past due accounts for Utilities have increased approximately \$100,000 over the prior year
  - The balance of uncollectible receivables for ambulance billings has increased approximately \$140,000 from the prior year.
  - At year-end, approximately \$3,100,000 in road project grant billings were outstanding and still uncollected. Due to late billing on the part of the County, the outstanding balances are shown as deferred revenue which is consistent with the modified accrual basis.
- Enterprise fund accounting for the utilities, 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.
- It was noted that the Economic Development Fund entered into a \$200,000 loan agreement, secured by real estate. This transaction was recorded as an expense before obtaining the documentation from the nonprofit that the economic criteria and other requirements had been achieved in order to have the loan be converted to a grant.
- It was noted that the Jail Facility disposed of fencing pipe without receiving prior approval. In addition, proceeds from the sale of \$11,000 were received in January 2009, but not deposited until April 2009.
- 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

- The Finance Department needs to be notified of contracts that originate outside the department to ensure that all transactions are properly recorded and that all regulations are being properly adhered to.
- If the County has a disaster they must be ready to respond quickly and adequately to ensure critical services are not interrupted.



STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

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

Effect

- Certain transactions have not been recorded properly until the year-end audit process.
- 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 and contracts are originated by departments outside of the Finance Department.
- Lack of Management planning and preparedness for all computer subsidiary locations.

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, movie industry services, ambulance billing, road projects, franchise fees, and jail operations. Interest should routinely be charged on overdue receivables.
- We recommend that all accounts receivable billings and revenue recording be the responsibility of the Finance Department. Past due receivables need more timely collection efforts throughout the year and interest charged on past due accounts.
- Enterprise fund activity needs to be recorded on a full accrual basis during the year to better reflect the financial status of these funds. Economic Development loans must be recorded as assets and not expensed until documentation has been obtained that meet the County's requirements.
- 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.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

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

Management Response

Staff of the Finance Division will continue to work with the Public Works Division 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. 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. Finance Division staff has worked closely with other department staff to ensure timely billings. The County received a grant agreement from the GRIP II Program around September 2007, in the amount of \$2,060,100 for various projects within the County. The County's match was to be \$1,109,285 monetary or in kind contribution. When the application was submitted to the NMDOT it was anticipated that all of the projects, except County Road 42 Phase I, would be built with county crews. Due to the State of New Mexico budget shortfall, Public Works had been advised that these projects needed to be expedited, so some projects were contracted out. Regardless of how the County met the match, the County needed to prove that it had incurred expenses of \$3,169,385 in order to fulfill the match requirement and be eligible for reimbursement of the \$2,060,100. The County Road 84G Project was recently completed and the expenses incurred from this project in July were enough to push us over the threshold to be eligible to apply for reimbursement. It is for this reason that the reimbursement was not requested until August 3, 2009. The finance staff will also work with the County Manager to facilitate a process whereby all revenue reimbursement requests may be processed and completed timely by the Finance Division resulting in timely revenue recording.

Staff of the Finance Division will hold meetings and additional trainings with staff charged with grants, utilities and ambulance billings in an effort to reduce the amount of billings outstanding at fiscal year end. The County will continue to look into the implementation of full accrual accounting for enterprise funds but does not currently have the staff dedicated to manage the accounting of such. This will be a goal we continue to research and implement.

Staff of the Finance Division will continue to monitor all Board of County Commission meeting agendas to ensure that any loan agreements are properly recorded and accounted for under Generally Accepted Accounting Principles.

The Finance Division will continue to enforce that all Departments and Divisions follow the procedures set forth in the Accounting Manual which includes procedures on the proper disposition of fixed assets.

The Information Technology Division is in the process of creating a disaster recovery plan which should be fully implemented within the next fiscal year.

The rise in uncollected amounts can be attributable to contractual write-off's with payors such as Medicare and Medicaid, bankruptcies, deaths, and incorrect billing information. The call volume has increased over the last year. The economic downturn has somewhat affected our ability to collect unpaid balances from our patients. Our billing department did in fact collect \$258,522 over our budget goal of \$500,000 for FY-09. We will continue to work diligently to submit timely billings and maintain our collection efforts on those accounts that can be collected.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

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

Management Response (Continued)

The reason for this increase in Utility receivables is primarily due to money owed to the County for Water Service Agreements for standby fees from developers. These agreements are being drawn to modify these standby fees, as well as the billing for specific periods. For this reason, the County has not pursued seeking these funds.

The Finance Division will be working with staff at the Jail to initiate research and cleanup of old receivables in an effort to collect these receivables. Although the aging receivables have increased by approximately \$800,000, \$208,000 in relation to that amount was mis-posted and subsequently corrected. The overall current receivables have decreased over the fiscal year and staff has worked diligently to submit timely billings and has been dedicated to collection efforts. In the first 4 months of FY 2010 the County has received approximately \$980,000 in charges that were receivable at June 30, 2009. We will continue our efforts to reduce receivables and timely recognize revenues related to charges for services.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

**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 easy, accessible audit trail. The County has discussed this problem with their software vendor, and the vendor was not able to modify the software.
- Overages and shortages by cashier or by other departments or locations that accept payments are not recorded on the general ledger.
- The County needs to determine if the employee benefit activities should be directed through another entity (i.e. not for profit).
- We noted that approximately \$844 in reconciling items from the old computer system of the inmate trust accounts have not been identified by inmate. In addition, there were 130 checks, totaling \$3,778, that have been outstanding more than one year.
- We noted that the Housing security deposit bank account reconciliation contains a large number of old outstanding items.

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

Effect

- Poor controls can increase the risk of County funds to be misdirected.
- Lack of compensating controls over cash disbursements.

Cause

- Insufficient resources allocated to cash receipt function.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

**Significant Deficiency for Cash Controls 06-02 (Continued)**

Recommendation

The County should determine if a cash register type of system can be used to allow for better controls of cash receipts. Waived penalties and interest need to be recorded on the general ledger system to maintain an audit trail of amounts waived. Also the amount of cash overages and shortages also need to be recorded on the general ledger. The internal audit function must include in its scope of work cash controls and waived property tax interest and penalties.

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 and determine what should be done with the unidentified cash by inmates. The County should review Housing Security Deposits on a timely basis and remove inactive participants and remit funds as required.

Management Response

Staff continues to research 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. Finance staff will work with the treasurer's office to establish better cash control procedures. Staff is still working to implement an overage/underage recordkeeping process.

The County is still researching whether or not to direct the activities of the employee benefit activities through a nonprofit entity.

The finance staff was not included in the computer system conversion and has not been able to reconcile the cash balances to the account detail of the inmate trust accounts due to the negligent conversion process. When the new computer system was implemented at the jail, outstanding inmate balances were not properly transferred from the old system and the reconciliation will be impossible. Finance will work with the Jail staff on this effort for as long as it takes.

The County will look into the outstanding items and determine how to account for them appropriately.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

**Significant Deficiency for Property Taxes 07-01**

Statement of Condition

During our test work and other audit work we noted the following exceptions:

- We noted that 10 out of 25 properties tested did not have updated valuations.
- We noted 6 out of 25 properties in which values were not properly converted into the new computer system. Five out of the six properties were undervalued in the new system by \$250 up to \$538,000. One property was missing from the new system.
- We noted an increase in adjustments to property tax payments of approximate \$3.5 million in the Schedule of Tax Receipts, Disbursements and Property Tax Receivable (Exhibit H). Approximately \$2.6 million was due to a clerical error on one taxpayer's bill. The remaining approximately \$.9 million was related to a variety of billing errors and adjustments due to filed protests.

The following items were also noted:

- Intermediate valuations are consistently not being done on properties under construction and building permits are not always being reviewed to catch new additions or modifications.
- Assessors are not using "comparable sales" to value property
- Files are not being updated within 30 days of a property transfer.
- 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.
- As of July 29, 2009 the Local Government Division of the Department of Finance and Administration have recommended the Board of Santa Fe County Commissioners conduct an assessment of the financial needs of the Assessor's Department in order to more effectively address the significant County weaknesses identified in prior year findings.

Criteria

- The County must maintain proper controls and review to ensure that the most current property appraisals are input and updated in the database.
- The County must maintain proper oversight and review over billing procedures to ensure invoices are correct and free of clerical errors.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

**Significant Deficiency for Property Taxes 07-01 (Continued)**

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.
- The property tax bills contain errors that necessitate the use of already strained resources to research and correct.

Cause

- Management oversight and insufficient review of most current property valuations being updated in the computer databases.
- The Office of the Santa Fe County Assessor was not properly funded to handle backlogs and unfunded mandates by the State Legislature and the Property Tax Division of the Taxation and Revenue Department and the increasing demands from the general public for information and property tax protests.

Recommendation

- The County needs to implement proper controls to ensure that field derived property appraisals are completed timely and are accurately input into the database.
- The County needs to implement an active internal audit function for oversight to ensure the property tax records are accurate and complete.
- The Board of Santa Fe County Commissioners need to assess the financial needs of the Assessor's Office and address those needs as appropriate.

Management Response

The Office of the Santa Fe County Assessor (Office) continues to implement a new state of the art Computer Assisted Mass Appraisal (CAMA) system. This endeavor has been ongoing for over two years. As I mentioned in the prior two year's audit reports the limited data in the old system and/or the property record card cannot be relied on to be accurate. An extensive amount of effort has been invested in researching and correcting massive amounts of erroneous and corrupt data, including the input of all attributes of each property as it was never captured in any automated system or on the property record card. All 86,000 parcels were processed thru the new system to generate the 2009 Notices of Value which met our goal with very few issues. This is a historical achievement in that this Office had not applied the reappraisal of residential properties to all (52,000) residential properties at the same time, in the same year in conformance with the Property Tax Code in decades. This Office on this issue is now in compliance with the Property Tax Code. However, there are numerous accounts that still contain errors, obviously to the property owners benefit that we will continue to identify and correct in the future to the extent allowed by law. The Office is limited in correcting many of these undervalued properties due to the value cap law, decisions rendered by the County Protest Board and decisions of the District Court and other judicial tribunals. The Office continues to work with our system vendor in correcting conversion issues thru audit reports from the

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

**Significant Deficiency for Property Taxes 07-01 (Continued)**

Management Response (Continued)

computer system. Until this Office is adequately funded and staffed these issues will continue to exist and these audit exceptions will continue to be repeated.

1. The first 10 properties tested in the audit work papers of the external auditor that generated this finding were re-appraised and corrected for the 2009 Notice of Value mailed on April 30, 2009. We agree that many properties were not reappraised for decades in accordance with the Property Tax Code until 2009.

2. The second set of 6 properties is synonymous with decades of bad, corrupt data that will take time and effort to correct. This is why we need additional personnel. This effort continues to take away time that could be used to accomplish our main task which is to place current taxable property on the tax rolls. We will issue omitted notices of value for these and other accounts if it entails prior years.

3. The Office must also sketch each improved property into the computer system to fully utilize its capabilities.

4. The issue of proper controls and review to ensure that the most current property appraisals are input and updated in the data base is a critical issue that needs quick and desperate attention. This Office has twice conservatively asked for a Quality Control/Internal Audit position in our budget to assist us with this issue. We recognize and have dealt with the enormous problems that can occur if we do not ensure that this issue is not kept in check. This is one of the reasons the records and computer data of this Office are in such disarray. My requests for funding this position have twice been denied. As we gain more insight into the extent of our problems we now believe we need two such positions. The Property Tax Division the oversight agency for this Office did note in our evaluation that such a position is recommended.

5. Another issue raised is that which covers record keeping and files. We have instituted a logging system where all correspondence and a great majority of other documents that come into the Office to the extent possible are captured and controlled. This Office has also instituted a scanning process within the computer system but lacks the personnel to keep up with the volume of records this office generates. When you add unfunded mandates passed by the Legislature, the open records act, demands from realtors and appraisers to furnish information critical to their business and profit, and unreasonable and unlawful demands from property owners their attorneys or consultants, keeps this Office in constant turmoil and our efforts are turned away from our statutory mandate to appraise properties for tax purposes. Property Deeds were being processed within 30 days however when the Legislature passed the law that put the huge burden on this Office to calculate taxes for listed property for realtors caused the delay in meeting the 30 day policy. We are in desperate need of two additional Assessment Specialists to help us overcome all these and past issues.

6. The Office is very appreciative of the infusion of five new Appraisal positions that will be eliminated as other Appraisers either resign or retire. We need a waiver of this requirement as we are anticipating a retirement as early as February of 2010. We need Appraisers to allow us to place all taxable property on the tax rolls. We are collaborating with other Offices such as the District Attorney to help us attain this goal.



STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

**Significant Deficiency for Property Taxes 07-01 (Continued)**

Management Response (Continued)

7. The Office has also come to the conclusion that a reorganization of the Office is needed to compliment our new computer system and better facilitate our work and help correct decades of incorrect and corrupt data. We will be working on splitting the residential and vacant land Division into two divisions as the Division has become too burdensome for one Chief Appraiser. We will need an additional high level Chief Appraiser positions to facilitate this change. We will also be splitting two areas into three as the number of improved parcels has increased along with the complex type of improvement being built. The Office is now appraising the most exclusive and complicated homes in New Mexico which also encompasses defending that value. Santa Fe County statistically generates more value per parcel in New Mexico and is only second to Bernalillo County in the amount of total value we appraise. Internal control changes will continue to be implemented to fully achieve optimum accountable performance from all present and future staff.

8. The Office does and has always used the sales comparison approach to value the vast majority of properties appraised by the Office. Very seldom on commercial and higher end homes do we employ the other approaches to value as prescribed in our professional standards due to the lack of comparable sales to help arrive at a more correct and defensible value. In those instances we use a correlation of value.

9. The Office instituted a policy in 2008 that all building permits will be reviewed and placed on the tax rolls. Due to inadequate staffing and work load in other areas the Office has implemented this policy to a limited extent and will at some point visit all these properties and put them on the tax roles as omitted if warranted.

10. There were many corrections that were needed after the tax bills were sent out in 2008 as noted in this finding. The property owner per the Property Tax Code has 30 days from the date the Notice of Value is sent to question and protest their incorrect value. The property owner in most cases does not review and question the value until they get their tax bill in November because then they relate it to money. Many corrections this year were related to protests that were decided late in the year by the Protest Board. There are many more property owners that are protesting at the District Court level after receiving their tax bill. The Courts are also ordering mediation hearings on these issues also. The Office does not have control over these timing issues. The individual who caused the \$2.6 million clerical error is no longer employed by this office but this incident illustrates the fact that we are in need of two Quality Control/ Internal Audit positions to help eliminate these types of errors that occur too frequently.

As I responded to this same audit finding in the previous two years as well as our evaluations by our state oversight agency, we are committed to working towards eliminating this finding but our efforts are limited by the amount of resources that are appropriated to us. The Office of the Santa Fe County Assessor has been meticulous in applying the very limited new resources appropriated to this Office. Both the Property Tax Division of the Taxation and Revenue Department and the Local Government Division of the Department of Finance and Administration have taken note of our dilemma and are monitoring how the funding issue will be dealt with by Santa Fe County this coming year.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

**Significant Deficiency for Property Taxes 07-01 (Continued)**

Management Response (Continued)

Towards that end the Santa Fe County Assessor does not only answer for these short coming to the external auditors and our oversight state agency, but also to our constituents, the taxpaying public for all the errors and problems that need to be corrected that negatively impact their lives. Their frustration anger and disappointment is very seldom conveyed to the appropriators of funding for this Office, but we and especially the front line employee of this Office have to take the abuse and shame of how incompetent this Office appears to be on a daily basis. Only an infusion of the positions I am conservatively recommending, and have recommended in the past will correct the majority of the problems inherent in this Office. The Office needs to fully comply with the Property Tax Code, if the funding is not appropriated the Office will be forced to consider asking for assistance from the Property Tax Division and the Department of Finance and Administration to invoke some or all of 7-36-16 so that this Office can attain the resources needed to comply with the Property Tax Code.

The Office of the County Assessor in an attempt to educate and dispel erroneous incorrect opinions of this Office, conducted ten Town Hall meetings across Santa Fe County and two other meetings for County staff. Most meetings were poorly attended and only one County Commissioner attended. The great majority of those who did attend, were very complimentary and voiced their surprise at how the property tax system works and how they have a voice in the amount of tax they pay. We will work with the County's Public Relations Officer to advertise future Town Hall meetings more effectively for the Office of the County Assessor.

The status of this Office in complying with the Property Tax Code is very serious. Although we have made vast improvements decades of errors and corrupt data continue to have a detrimental effect on achieving full compliance.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

**Other Findings (Continued)**

**Disbursements 07-02**

Statement of Condition

During our test work of 100 disbursements and during other audit work we noted the following exceptions:

- We noted three instances in which the County overpaid the same vendor for its purchases by a total of \$9,076. Overpayment was due to charges not being verified to contract.
- We noted one instance in which the County underpaid gross receipts tax by \$787. Gross receipts tax was calculated incorrectly by the vendor and not verified by the County.
- 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 two instances, a card was used twice within a few minutes with the purchases of fuel indicating fuel purchased for another vehicle.
  - In ten instances, cards assigned to diesel vehicles were used for gasoline purchases.
  - In one case, the odometer reading was not consistent from fill up to fill up.
- We noted one vendor who was classified as an independent contractor, but should have been classified as an employee based upon Internal Revenue Service (IRS) criteria. Also, in June 2009, the IRS conducted an audit of the County's 2007 calendar year payroll records. The audit indicated other tax related issues that were resolved in 2008 and 2009. A liability of \$79,120 has been accrued in the 2009 financial statement related to the 2007 IRS findings.
- We noted that the County was late in notifying the State Auditor of suspected improper payroll activity of approximately \$1,000.
- We noted one instance in which a utility invoice was paid late due to late submission of invoices by the Jail Facility.
- We noted one instance in which a legal invoice was paid late, resulting in late fees of \$100.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

**Other Findings (Continued)**

**Disbursements 07-02 (Continued)**

Statement of Condition (Continued)

- Based on our payroll test work, we noted two instances, from our sample of 22, in which leave of absence requests were approved several months after the absence. We noted two instances in which there were no leave of absence requests on file. We also noted several instances in which work records and leave of absence requests were approved with a signature stamp.

Criteria

- The County needs to comply with its procurement policies regarding requests for proposals, contractual agreements with vendors and gas card usage.
- The County needs to have work records and leave of absence requests reviewed and approved by the appropriate level of management.
- Any policies and procedures implemented need to be evaluated for tax implications.
- All contractors need to be evaluated to ascertain the appropriate contractor status based on IRS criteria.

Effect

- Non compliance with applicable rules and regulations.

Cause

- Insufficient review of invoices and contracts, and/or a misunderstanding as to specific rules and regulations regarding disbursements.
- Lack of knowledge and understanding of IRS rules and regulations.

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 use of signature stamps be discontinued and County policies followed in regards to the payroll approval process.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

**Other Findings (Continued)**

**Disbursements 07-02 (Continued)**

Recommendation (Continued)

- Finance Department review all contractors to ensure they meet the IRS criteria to be classified as such.
- Finance Department evaluate all new policies and procedures before implementation to ensure all tax consequences are known and understood.

Management Response

The Finance Division has conducted mandatory accounts payable trainings throughout the fiscal year, and will continue to educate staff on the importance of scrutinizing invoices to ensure payment is for what is contractually agreed upon, and that gross receipt taxes should be recalculated using the appropriate rates prior to submission for payment to accounts payable.

In response to the discrepancies in the gas card usage, the County has implemented a monthly procedure in which exception reports are generated and must be justified or resolved by Division Directors. This report is reviewed by the Assistant County Manager. In response to the specific findings noted, there are some instances the gas card is used for filling unleaded gasoline in emergency apparatus equipment which is stored on the vehicle although the vehicle runs on diesel fuel. Most of Santa Fe County Fire Department (SFCFD) emergency apparatus have gasoline pumps for fighting fires, generators for emergency lighting or to operate power tools, gas cans to fill chainsaws and other gas power equipment, Holmatro pumps to use the "Jaws of Life" to extract patients from motor vehicle accidents. Instead of having two different cards, one for diesel and the other for unleaded in one vehicle, there is a greater chance of getting them lost or stolen, and we are able to keep better track of the gasoline usage. Santa Fe County Fire use Allsup's as a gasoline vendor to fill up for the La Cienega Volunteer Fire District and for SFCFD Med 60 med unit. There have been issues with the pumps in reading the Wright Express card and registering the type of fuel being obtained in the vehicles. Most of our vehicles use diesel fuel, but for some unknown reason the read out on the monthly gas reports indicates unleaded fuel used instead of diesel. SFCFD has contacted the vendor on this issue and they indicated that they will work on the problem to correct it.

The Finance Division has worked closely with the IRS staff to ensure that we obtain proper documentation to evaluate an independent contractor. The Finance Division will be re-issuing W-2s and 1099s to correct findings from our 2007 Employment Tax Audit conducted by the IRS. We have scheduled trainings to inform staff of the new procedures that we will implement in FY2010 which will include the evaluation by Purchasing, Legal, and the Finance Divisions prior to approval of the purchase of services from independent contractors. We will continue to scrutinize all requests to procure services from independent contractors in accordance with IRS guidelines.

The County has been educated on what is required to be reported to the Office of the State Auditor regarding improper activity that is discovered, and will comply with all requirements in the future.

The Finance Division has implemented a "justification for late payment" procedure in which the department submitting late invoices, must be held accountable and provide an explanation of how to prevent future occurrences of late payments. The accounts payable staff is dedicated to improving this finding and will continue to monitor late payments in an effort to reduce such.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Memorandum on Accounting Procedures and Internal Controls (Continued)

June 30, 2009

**Other Findings (Continued)**

**Medical Expense Documentation 09-01**

Section 8 Voucher CFDA # 14.871

Statement of Condition

- Four out of twenty residents we tested did not have third party verification of medical expenses used to determine eligible income for their low income housing rent subsidy.

Effect

- Non Compliance with HUD requirements

Cause

- Documentation was not obtained

Recommendation

- Medical expenses need proper documentation in accordance with HUD regulations in order to be used to reduce eligible income to calculate the rent subsidy.

Management Response

The Housing Authority will immediately review all files that qualify for a medical expense deduction to ensure that all pertinent documentation is included in the files and that rent subsidy is calculated based on what the resident has submitted for the deduction. For the future, staff has also been instructed to conduct quality control on files that qualify for a medical expense deduction (immediately after the rent calculation is completed) to ensure that all the information is included in the file and that it corresponds to the eligible deduction.

STATE OF NEW MEXICO  
SANTA FE COUNTY

Status of Prior Years Audit Findings

June 30, 2009

**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
Property Taxes (07-01)	Modified and reported as finding 07-01
Disbursements (07-02)	Modified and reported as finding 07-02

STATE OF NEW MEXICO  
SANTA FE COUNTY

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**EXIT CONFERENCE**

An exit conference was held on November 13, 2009 to discuss the audit report and current and prior year findings. Those in attendance were as follows:

Santa Fe County:

Kathy Holian, Commissioner  
Teresa Martinez, Finance Director  
Helen Perraglio, Accounting Oversight Manager  
Roman Abeyta, County Manager  
Domingo P. Martinez, County Assessor  
Brian Baca, Deputy Treasurer  
Victor P. Baca, Assessor  
Dodi Salazar, Housing Services Director  
Joseph Gutierrez, CSD  
Steve Aguirre, Finance Corrections

Barraclough & Associates, P.C.:

John E. Barraclough Jr., Managing Principal  
Douglas Fraser, Audit Manager  
Joyce Pohl, Audit Supervisor  
Lynette Kennard, Senior Accountant

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.